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OF THE

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SECOND SESSION—TWELFTH PARLIAMENT

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House of Commons Debates

SECOND SESSION—TWELFTH PARLIAMENT.

HOUSE OF COMMONS.

THURSDAY, January 23, 1913.

The SPEAKER took the Chair at Three o'clock.

QUESTIONS.

(Questions answered orally are indicated by an asterisk).

JUDICIAL SALARIES.

*Mr. LEMIEUX:

1. Has any memorandum been received by the Minister of Justice for the increase of salary of the County Court judges, and that of the Superior Court judges, in the rural districts generally?
2. What action does the Minister of Justice intend to take?

Mr. DOHERTY: I have had a number of communications and a number of interviews upon the question of the increase of salaries of County Court and Superior Court judges. The matter is under consideration.

STEAM TRAWLING.

Mr. SINCLAIR:

1. Was any investigation made by the Department of Marine and Fisheries during the year 1912 relating to the effects of steam trawling on the fishing industry of the Atlantic coast?
2. If so, by whom and with what result?
3. Were experts employed to make observations on board trawlers when in actual operation? If so, who were they?
4. What are the dates and names of the vessels?
5. Was a report made to the department? If so, when and by whom?

Mr. HAZEN:

1. Yes.
2. Angus L. Frelick and Amos Toole. Information was secured regarding the kinds, sizes, quantities, &c., of fish taken by a trawler, and whether the gear of ordinary fishermen was damaged or interfered with.
3. Mr. Toole was employed to remain on a trawler and report on its operations.
4. Mr. Toole was on board the trawler Carmania from August 2 to October 5.
5. Yes. By both Mr. Frelick, who accompanied fishing schooners, and by Mr. Toole. Mr. Frelick's final report is dated October 10th, and Mr. Toole's is not dated; but reached the department November 30.

INTERCOLONIAL RAILWAY ICE SUPPLY.

Mr. REID (Restigouche):

1. Have tenders been asked to furnish ice for the Intercolonial railway at Campbellton?
2. If so, how many tenders have been received, what are the names and amounts of the tenderers respectively, and has the lowest tender been accepted?

Mr. COCHRANE:

1. Yes.
2. Tenders were received from the following parties:—William J. Price, Campbellton, $1.18 per net ton (2,000 lbs.); Thomas Ellsworth, Campbellton, $1.13 per net ton; Elias B. Pritchard, Campbellton, $1.40 per net ton. The above prices included the delivery and packing of the ice in the ice-house at Campbellton. The lowest tender was accepted.

THE CUSTOMS TARIFF.

Mr. MACDONALD:

1. Has any person or persons been employed by the Finance Department during the past year to make inquiries or obtain information as to the tariff, or as to its operation or effects, or as to the wisdom or necessity of any change sought to be made therein?
2. If so, who were they, when were they employed, and have they reported to the department in writing?

Mr. WHITE: No.

QUESTION OF PRIVILEGE.

Mr. MacNUTT: Before the Orders of the Day are called, I rise to a question of privilege. Yesterday, it appears, was an inopportune time to do so, but to-day I think I am in order. I wish to read a statement which appeared in the Winnipeg Free Press some days ago, having some reference to myself. It is contained in a speech of Sir Rodmond Roblin referring to the Macdonald election and delivered in the Provincial Legislature at Winnipeg. Sir Rodmond is reported to have said:

In no case had he found that the Liberals of the constituency of Macdonald had taken part in the work themselves. The Liberals

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had seen the wrong-doing going on, the whiskey and the money, and they had given information to the Government. Who were bringing this whisky and money? Not Norris, but Frank Oliver and Thomas MacNutt and the heelers from Saskatchewan. 'Whereof I speak I know,' said the Premier. They were not the Liberals of Macdonald or Manitoba, but all men from outside. Eleven Frenchmen from Quebec, the Whip from Ontario, and many from Saskatchewan and Alberta. When Mr. Norris stood for this he made a low standard for his party and its future. Oliver and MacNutt and Sullivan had done the work, and the result was that some of the men were arrested. But they were the mere tools of political criminals.

When the premier of a province makes such an accusation as that against two members of this House it is somewhat serious, and I think Sir, a committee of investigation should be formed to look into the matter. I personally would welcome such an investigation. I wish to say that I absolutely deny the accusations made here; they are entirely without foundation, and if Sir Rodmond Roblin will come out into the open, leave his castle walls, and make these accusations public in some newspaper over his signature, then Sir, he will be compelled either to prove his charges or to stand convicted of malicious libel.

BUSINESS OF THE SESSION.

Mr. KNOWLES: I wish to ask two questions. I would like to ask the hon. Minister of Trade and Commerce whether there will be any amendments to the Canada Grain Act this session, and the Minister of the Interior whether there will be any amendments to the Dominion Lands Act this session, and if so, when?

Mr. FOSTER: With reference to the Canada Grain Act, it is possible that there may be one or two slight amendments. I am not entirely decided yet.

Mr. ROCHE: In reference to the Dominion Lands Act, the hon. member for Brandon (Mr. Aikins) yesterday introduced some amendments. Other than those, there is no present intention of amending the Act.

Mr. OLIVER: Might I direct the attention of the Minister of the Interior to his promise to introduce legislation in regard to the South African scrip. I would like to point out that it is somewhat desirable that the country should know as soon as possible what that legislation will be.

Mr. ROCHE: When the hon. the ex-Minister of the Interior asked this question before the holidays, I announced that it was my intention to recommend to the House an extension of last year's Act for another six months, namely, until the 30th of June, 1913.

Mr. MACNUTT.

Mr. OLIVER: In the last Act extending the right to locate there was, I take it, a flaw which, without intention, excluded some of those who, I believe, were intended to be included. I would ask the minister to pay special attention to that feature of the case and see that whatever flaw there is in that regard may be corrected.

WEST INDIAN TRADE AGREEMENT.

Hon. GEO. E. FOSTER (Minister of Trade and Commerce) moved second reading of Bill No. 28, respecting an agreement between Canada and certain of the West Indian colonies. He said: The Bill itself was explained pretty thoroughly and discussed quite generally on the resolution upon which the Bill was founded. The negotiations and the whole course of matters that preceded the introduction of the Bill have been somewhat prolonged, and have been before the House and the country for a considerable period of time. It is therefore unnecessary for me at this stage to occupy one single minute of the time of the House upon the second reading of the Bill. I am ready to go into committee on the Bill and make such progress as we can with its different clauses. I do not therefore propose to spend any time in moving the second reading.

Mr. OLIVER. When my hon. friend the Minister of Trade and Commerce brought this matter to the attention of the House on the first occasion, he handed to some members a copy of a blue book which contained certain facts in regard to the arrangement. I think he promised then that this blue book would be printed in further numbers for general distribution. I have made enquiry several times at the distribution office and have yet been unable to get a copy of this book. I would respectfully say that it is not possible for myself, not having direct knowledge of this subject, to give the matter the attention that I would wish, not having had the opportunity of considering the full statement that my hon. friend promised to lay before the House.

Mr. FOSTER: The document to which my hon. friend alludes is the record of the proceedings that took place before the delegates. I brought that down to the House and moved for a suspension of the rules and that it be printed forthwith. I had no idea that it had not been printed and circulated among the members. However, whilst I regret that it has not been printed and placed in the hands of members generally, the negotiations after all are what precedes the conclusion arrived at, namely, the agreement which is before the House and which is in the hands of members, and the Bill which is founded upon the agree-

ment. Everything that is essential to what is before the House is really in the possession of members.

Mr. OLIVER: I do not wish to hold the House at all, but I think my hon. friend's statement is rather extreme when he says that the report of the negotiations is not something that would be of value in informing the House with regard to the conclusions arrived at. While I do not wish to suggest delay in the discussion, I would ask my hon. friend to be considerate of those of us who have not had the opportunity which has been afforded to others if we ask for information which otherwise we might have had by simply studying the report.

Mr. FOSTER: I did have some copies of my own and I gave them, as far as they went, to hon. gentlemen on the other side. I am sorry that I have not more.

Mr. OLIVER: I am aware of that.

Mr. A. K. MACLEAN (Halifax): Before the second reading of the Bill is passed, I desire to make a few observations, and I am impelled to do so by reason of statements which have been made publicly by hon. gentlemen opposite respecting this Bill rather than by reason of the provisions to the West India agreement which is before us for ratification. As the hon Minister of Trade and Commerce has stated, there is very little room for wide difference of opinion respecting this measure as it is practically in the terms of the proposal recommended by the Royal Commission appointed some two or three years ago, upon which commission were two members of the late Government. I am sure that upon this side of the House we welcome any trade or tariff arrangement by which it is possible to make freer trade between any two countries, particularly between Canada and the British West India islands, with which we have had long and very agreeable commercial relations. We, upon this side of the House, would naturally commend the agreement by reason of the fact that we were the pioneers in the development of closer trade relations between Canada and the West Indies and all parts of the Empire. I shall go further and say that had it not been for the tariff policy of the late Government in respect to the British preferential tariff accorded to British colonies throughout the world, it would not have been possible to have consummated the agreement which is now before the House.

The friends of hon. gentlemen opposite and the press supporting them, I find, since the making of the West India agreement, were too eager to accord to themselves the entire credit for the treaty. It was stated by friends of the Government when the negotiations were in progress between the Government and the West Indian delegates about a year ago, that such efforts for reciprocal trade agreements with the West Indies was more preferable than the efforts which had been made by the previous Administration to consummate some tariff agreement with the United States. We were told in express words, that this West Indian-Canadian treaty would be the means of again strengthening the Empire which had been seriously threatened by the proposed reciprocal tariff arrangements with the United States.

The Minister of Trade and Commerce visited England last year and on one occasion he was the guest of an association which is called in England the West India committee. This committee represents larggely the proprietors of the sugar cane industry in the West Indies. The minister was the special guest of that committee on this occasion. It was said to him by his hosts that he was responsible for this Canada-West India agreement, and while I must say in justice to him that he thrust that crown aside, still blushingly he said that he had sown the seeds many, many years ago, that they had taken root, that they had been growing in the meanwhile under the care of others; the result being this particular agreement. I wish to give to the House just one extract from the remarks made by that hon. gentleman on that occasion. I do not think that I need apologise to the House for referring to this matter. After the hon. gentleman, as I have already observed, claimed that some credit was due him for the consummation of the treaty and that it was always a consummation devoutly to be wished so far as he was concerned, he referred to the report of the Royal Commission on this subject and proceeded to say:

> Their's was an invaluable report——

Referring to the Royal Commission report.

> —and it laid the foundation for the present agreement. But other things intervened and the Administration which preceded us laid this arrangement in a pigeon-hole and took up another policy which they thought much better for Canada and much better all round. In the hurry and bustle of the new and large question the West Indian matter was laid aside and I am only telling the naked truth when I say that if the verdict of September 21 last had been different from what it was, there would have been no West Indian treaty.

The inference is, the dissolution of the Empire and the extinction of Canada would have followed. I particularly rise to speak on the second reading of this Bill to protest against that statement. It was untrue, misleading and unworthy of any man occu-

pying a prominent place in the public affairs of this country, particularly from an adviser of the Crown. I further make the statement that such a remark should be resented by every fair-minded, respectable and intelligent man in this country. I do not think there was any justification for the remark made by the hon. gentleman on this occasion. True, his legs were under the mahogany with many followers of the Unionist party of England who assisted him and his party at the last election in this country, pecuniarily and otherwise. They had promised to give to Canada a market for her exportable surplus by means of a preferential tariff treatment in the shape of food taxes in Great Britain, a policy which they have abandoned, I imagine forever, within a few days past. It may have been quite popular for the hon. gentleman to play the demagogue on that occasion for, unfortunately for this country and for the Empire, we find today, too many men in England who take the position that this Empire was saved in September, 1911, by reason of the defeat of the reciprocity agreement, and such remarks seem to be readily accepted by many. We have been treated during the past year, or last few months, to many inane, puerile remarks from travelling English unionists who have come to this country to tell us that the Conservative party of Canada saved the Empire in 1911. We have had the muddling and vacuous views from visiting unionists such as Mr. Walter Long, delivered time and again here, as to the effect of trade with the United States upon our Imperial relations, and which were usually offensive to the people of this country. I think it is a matter of regret that many of these English Unionists who visit this country from time to time do not apparently do themselves the justice or credit of obtaining even a superficial knowledge of what that particular agreement meant. I protest against these observations from time to time made by representatives of the English Unionist party as to the effect of reciprocity with the United States upon the Empire. It is very difficult for a large section of the Canadian people to endure the contented ignorance of English opinion respecting some Canadian affairs and it is only proper and natural that on this side of the water it at times should be resented. I have not any objection to those who, usually the followers of the Unionist party, devote their best efforts to the perpetuation and welfare of the Empire, but it would better become them first to devote their time and their talents to the settlement of the many difficult political problems which confront them at home, and when they have ceased to be mediaeval and foolish respecting these, I am sure it will be time enough for them to give their attention to Canadian affairs. Until that time arrives the people of this country are justified in resenting in the most vigorous fashion their interference in matters of Canadian politics when it becomes offensive, as it is when they say the proposed trade agreement of 1911 meant the dissolution of the Empire had it been ratified. I do wish to express my astonishment and surprise that there should come any succor or support to the element of public men in Great Britain from the hon. gentleman who is responsible for the measure now before the House. I want to repeat what I said a moment ago that had it not been for the British preferential tariff policy inaugurated by the Government which preceded the present Ministry, it would have been utterly impossible to have secured the consummation of the Canadian-West Indian agreement. In order to demonstrate the accuracy and correctness of my position, I want to review briefly I trust, but historically and chronologically the events leading up to the agreement now before us. If we get the proper starting point, I think we will get the proper direction and the proper destination in considering this matter. In 1890, the Minister of Trade and Commerce visited the West Indies on behalf of the Canadian Government with a view of securing some trade arrangements with these colonies, but without success. The events leading up to the appointment of the last Royal Commission very well set forth the history of the efforts made to secure a trade arrangement between Canada and the United States as it is, and I shall follow the wording of the report rather closely. The report relates that:

> In 1890 Mr. Foster, then Minister of Finance in the Dominion, visited the West Indies with this object in view. The project met with little favour in the West Indian colonies; the governments were at the time negotiating with the United States for favourable treatment under the McKnley Tariff Act, and they considered it certain that the grant of reciprocal preference to Canada would be followed by the penalizing of West Indian sugar in the United States.

At that time sugar cane was the great product of all the West Indian Islands, or of the greater number of them. At that time it is to be remembered that owing to the prevalence of bounties paid in many European countries to the beet sugar industry, the sugar cane industry of the West Indies was paralyzed, and it did look then as if that particular industry would be crushed. The report of a Royal Commission appointed in 1897 was to the effect that at that time the sugar cane industry in the West Indies was almost at an end. In 1898 the Canadian preferential tariff was extended to the British West Indies. The report proceeds as follows:

Mr. Fielding, then, as now, Minister of Finance, in the course of his budget statement referred to the previous abortive negotiations for preferential trade. The Canadian Government recognized the large opportunities that existed for the development of trade between Canada and the West Indies, whom they regarded as the natural customers of the Dominion. The West Indian colonies were then suffering from a very severe depression, so much so that their condition was a matter of serious concern to the people of the colonies and a grave problem for the Imperial Government. Mr. Fielding claimed that Canada had some Imperial responsibilities in the matter, and he stated that, with a desire to assist Her Majesty's Government in dealing with these problems, the Canadian Government had decided to extend the preferential tariff to the West Indies, without demanding any concessions in return.

The report proceeds further to say:

Under the preference thus granted, the produce of the West Indian colonies was entitled, on importation into Canada, to a reduction of 25 per cent on the import duty. It was at the same time provided that raw sugar, when imported from any British possession, could be entered at the British preferential tariff rates. It was further provided that refined sugar, to be entitled to the preference, must be manufactured wholly from raw sugar produced in the British possessions. Thus refined sugar imported into Canada from Great Britain, to be entitled to the preferential rates, must be manufactured from sugar grown in a British possession. The importance of this further provision has not been fully appreciated especially in the West Indies.

That was the beginning of our tariff and commercial relations with the West Indian Islands, which made possible the agreement with those islands. The sugar cane industry was practically dead, and its future was feared by the owners resident in Great Britain, and the Imperial Government were very much concerned as to the future conditions of the British West Indian Islands. The extension to them of this preferential treatment was largely done upon the ground that Canada was under some Imperial obligations in the matter; that it was their duty to relieve the Imperial Government of what appeared to be an approaching problem in respect to the West Indies by virtue of the decadence of the sugar cane industry. Therefore, without asking for anything in return, we extended the British preferential tariff to the British West Indies. Our commercial relations have since been closer. The appointment of the last Royal Commission which recommended some tariff arrangements was also one of the results. When that British preferential tariff was extended to the British West Indies, the hon. Minister of Trade and Commerce occupied a seat in this House; but he did not favour the application of the preferential tariff to the West Indies. Instead of that, in his place in the House of Commons, he opposed it and, so far as I know never expressed his approval of the same. The effect of the preferential tariff on the West Indies sugar industry was very marked; it was responsible for the revival of the sugar cane industry. I think I could almost make the statement, without fear of successful contradiction, that if it had not been for that preferential tariff, it is quite possible there would have been a much smaller sugar cane industry in the West Indies to-day. I think that view has been frequently entertained by many, competent to form an opinion. At least it was of tremendous value to the West Indies and made them favourably disposed to Canada and ultimately made possible the present agreement. Had hon. gentlemen had their way there would have been no preferential tariff and very likely no trade treaty such as we are now considering. The effect of this preferential tariff upon importations from the West Indies, particularly in the matter of sugar, can be seen by the manner in which our imports of sugar from these West Indian colonies have grown since that time. In 1899 the importations of sugar from the West Indies amounted to about £3,860, or about $16,000. In the figures which have been presented to the House, in the form of a return asked for by myself, I find that the total exports of the principal products of the West Indian islands, which are parties to this agreement, amounted only to about $26,500,000, of which sugar composed over $12,000,000; and of that $12,000,000 worth, Canada took $6,786,000 worth. It is to be noted also that our total imports from the West Indies for 1911 amounted to a little over $8,000,000 and nearly $7,000,000 of this was sugar. So, when the Minister of Trade and Commerce ventures to say that if it had not been for the defeat of the tariff agreement with the United States this agreement would not have been before this House to-day for consideration, I say he is making a statement which is absolutely untrue, absolutely unfounded and absolutely unworthy of himself. A tariff arrangement——

Mr. SPEAKER: If the hon. member will excuse me, for a member of the House to say that another has made a statement absolutely unworthy of himself, is out of order according to my understanding of the English rulings on that subject.

Mr. FOSTER: I do not think he meant it.

Mr. MACLEAN: I will not occupy the time of the House, Mr. Speaker, debating whether the expression was unparliamentary or not. I hasten to withdraw the same, and express my great astonishment and surprise that the hon. gentleman should have made such a remark. I was proceed-

ing to say that, the views of the people of this country respecting a tariff arrangement made between Canada and the United States which was the subject of a heated political contest a little over a year ago is no great importance in relation to the measure now before the House. I wish to point out further that even had that agreement with the United States become effective by the mandate of the people it could not in any way have interfered with the West Indian-Canadian agreement, because this agreement with the West Indies in no respect deals with any article mentioned in the agreement between Canada and the United States. I think I can safely make this statement—and I have made it, perhaps, once or twice before in the course of my remarks— that had it not been for the inauguration of the British Preference Customs Tariff and its application to the British colonies throughout the world, and its particular application to the British West Indies at a time when the important industry of the West Indies, sugar-cane raising, was in peril, that industry probably would have been in a different condition to-day, and there would have been nothing to justify the commercial arrangement which is now before the House for consideration.

The effect of this agreement upon the trade of the two countries, as I said on the first reading of the Bill, is problematical. I trust it will be productive of good both to Canada and the West Indies, and that at the termination of the period of the agreement, ten years, the result will have been such that there will be a desire on the part of each to renew it for a further period. However, the effect of the arrangement will largely depend, as was stated in the report of the Royal Commission, and as is plainly understood by all who understand the question of trade between Canada and the West Indies, upon the steamship service between Canadian ports and the West Indian Islands. I think the Minister of Trade and Commerce might very well take the House into his confidence before asking us to pass upon this agreement, and tell us what progress has been made in the way of establishing an improved steamship service between Canadian ports and the West India Islands. I should like to ask him whether recently he has entered into any permanent contract for a Canada-West India steamship service. I think we should also like to hear from him, before passing upon this measure, as to what success he has had in the establishment of cheaper and better cable facilities between Great Britain, Canada and the West India Islands.

The agreement in the form presented is, as I have said, practically in the form recommended by the Royal Commission appointed in 1909. In the appendix to that report I find a schedule containing a list of the articles which the commission recommended might be put on the preference tariff list between the two countries. This list has been added to a little. I notice that under the agreement three articles now on the free list in this country are proposed to be placed upon the dutiable list, namely so far as foreign countries are concerned, cocoa beans, lime juice and limes. I trust that the members of the Government will be able to present to the House a justification for the transfer of these articles from the free to the dutiable list.

Further, it will be very difficult to measure correctly the true effects of this agreement upon our trade until we hear from the Minister of Finance as to what amendments he proposes making in the tariff by reason of this agreement. I fear that some aspects of this agreement, which otherwise might naturally be considered at the present stage, will have to be postponed until the annual budget is presented. As I have said, I trust that the members of the Administration will give their reasons for the transfer of these articles from the free to the dutiable list, and I trust that they will be able to show that this change was necessary to consummate a fair arrangement with the West Indies. The only instance in which the delegates from the West Indies asked that anything be placed on the Canadian free list was in respect to arrowroot. I observe that the Minister of Customs protested very vigorously against the placing of this particular product upon the free list, and his views ultimately prevailed. There was however, a slight reduction of the duty thereon. I trust that on some occasion, possibly when the tariff amendments are being considered, an explanation will be forthcoming as to why the request of the West Indies in this respect was not favourably received.

There are many other features of this agreement which might very properly be the subject of discussion, but as they are matters of detail I shall reserve any further remarks I wish to make until the Bill is being considered in Committee.

Mr. MICHAEL CLARK (Red Deer): I shall not, for more than a very few sentences, delay the consideration of this arrangement in Committee, but the rôle of self-imposed silence on the part of my hon. friend the Minister of Trade and Commerce, upon the second reading of a measure is so unusual, that such a spectacle, I think he himself will admit, necessarily begets comment. He has not always been silent upon the second reading of Bills, whether in power or in Opposi-

tion. I think, however, that I understand, in a measure, his silence upon this occasion; I can quite understand that a general discussion of the policy of preferences cannot be quite palatable to him at the present moment. I should like to pay to him a tribute for the extreme grit and perseverance—which should be a splendid example to younger men—with which he has pursued this question of inter-Imperial trade. My only regret is that he should have devoted his great capacities to a subject which has hitherto not given the results these capacities would have produced if they had worked in a more fertile field. The discussion, I say, must be unpalatable to him at the present moment, because he, the father of preferential trade, knows better than any other man that preferential trading within the Empire is practically if not quite a corpse at the heart of the Empire.

Mr. LEMIEUX: Dead and buried.

Mr. CLARK: Any member of the Government reading in one of the morning newspapers the article upon the tariff reform muddle will see that it is recognized by their own supporters in the press that tariff reform in Britain is dead. If tariff reform in Britain is dead, there can be no preference from Britain to Canada, and certainly one of the lessons of the moment is: Do your trade upon the same commonsense principles as those under which the Mother Country trades, and you will speedily achieve a measure of greatness far exceeding that of the Mother Country herself. The attention of the House should be directed to the fact that it is recorded in very high political circles, inadvertently, no doubt, that he to whom I have referred —my hon. friend the Minister of Trade and Commerce—as the father of preferential trade, has been guilty in this case of infanticide. I do not know how much there is in the rumour, but I can assure this House, that, as I have said, it is prevalent in high political circles in Britain that the hon. Minister of Trade and Commerce was not without his influence in the adoption of one of the recent policies of Bonar Law and Lord Landsdowne, to which the reply was the election which has undermined and blown to shivering atoms the whole British preferential idea. That was an inadvertent injury to Mr. Bonar Law and the laws of tariff reform, but a kick of another character was administered by my hon. friend's leader, because of all the—I do not wish to use offensive language —but of all the resemblances to the rat leaving the sinking ship, I do not think anything quite so like it was ever seen as the extreme haste with which the Prime Minister of Canada avowed to the world that he had no connection whatsoever with Mr. Bonar Law.

I have been wondering how my hon. friend has reconciled the Minister of Finance to this arrangement, because the Minister of Finance has been in this House the great exponent of the fact that trade arrangements mean loss of fiscal independence. I have heard him again and again elaborate that argument at great length. It is a new doctrine I have never heard anybody explain, if, when Cobden arranged the trade treaty between Britain and France either of those countries lost their fiscal independence. I do not think this little mouse of an arrangement with the West Indies—which is the smallest mouse that ever proceeded from so great a mountain—will undermine the independence of Canada; but the argument remains, and I have the right to ask my hon. friend the Minister of Finance to look into this matter and see whether the fiscal independence of Canada is not in danger of being lost. I do not desire to offer any opposition to the arrangement, although in some cases the tariffs are raised, and it therefore has objectionable features to a free trader. However, anything tending to extend trade is agreeable to a free trader, and I do not wish to offer any opposition to it. Neither would I offer opposition to the journey my hon. friend is likely to shortly undertake to the Antipodes. Whatever comes to him in his latter days in connection with his Imperial and political connections at the other end of the world is due to him because of the sevice he has given to Canada and the Empire. I have referred to the grit with which he has expounded his own ideas, but as a member of the trading firm known as Canada—and Canada is a firm and I am a member of it—I have a right to look into the doings of my chief commercial agent. The recent agent of that firm made a trade arrangement which would have led to immediate action along the common sense lines of trade, and we have a right to ask those who led this country to defeat that arrangement what they are offering to the people as an alternative to the scheme which they defeated. Well, they may say, we have this arrangement with the West Indies, and we may get one with Australia and New Zealand. I might state that last year our total trade with Australia and New Zealand, and the West Indies thrown in, amounted to $16,000,000, and that during the same period our trade with the United States amounted to $460,000,000. May I ask the House to consider the significance of these figures? What is the guidance they ought to give to those who are responsible for the Government and development of Canada and the expansion of her trade? This is part of a general policy, and I want to say that it is calculated to bring disappointment to those who expect an alternative which would mean something to the country. I have taken the liberty playfully and I hope not offensively, to refer to my

hon. friend as the chief commercial agent of Canada. At the present moment, is it not perfectly obvious that while he is making this journey to the Antipodes to do a semi-fractional trade for Canada, the only trade possible in those parts of the world, he might have gone to Washington, as he had gone before, if it had not been for our fiscal independence, and done a trade which would have meant much for the commercial development of this country without for one moment interfering with our connection with the Empire. I was surprised to hear hon. gentlemen opposite cheer the ironical remark of my hon. friend, who has just resumed his seat, as to the Empire having been saved on the 21st of September, 1911. I do not understand why they applaude that statement, because they are saving it again by a gift of $35,000,000 to the British navy. I should like to say, while on that subject of Empire saving, that after all Wellington and Nelson and a few others did something along that line without the Canadian Tory party saving the Empire every three weeks. My fear, as a member of this Canadian trading firm, and my only fear, is that the travelling expenses of our agent will run away with more than the profits on the orders. I want to say seriously that this measure will be a disappointment to the western farmers who have grain in their barns now for which they cannot get more than sixteen or eighteen cents a bushel.

Mr. LEMIEUX: Why do they not go into mixed farming?

Mr. CLARK: Or exchange for the sugar of the West Indies. It will be a disappointment to those farmers who have raised oats at great labour, undertaking the duties of landlord, tenant and workman, duties in which I have been personally engaged with my family for the past eleven years, and the hardships of which I know thoroughly. They have raised those oats which are in the barns, and they do not cover the cost of production. They would rather leave them lying in the barns than sell, because they know that the moment they have sold them the machine men and others, to whom they owe money, will be round and will take everything of the proceeds from the sale, the farmer himself being left no better except that it is better to be able to say that we have paid our debts. But as far as the prospects in Canada are concerned, what good does it do to pay one's debts if one does not know where to look for a living after he has paid them? The consequence is, and I am not drawing a fancy picture, that the machine men at the present moment are not able to make more than five to ten per cent of their collection in many parts of the province to which I belong. In this way the rejection of a trading measure that would have meant something to the country touches Ontario just as closely as it touches Alberta, and I am speaking most seriously to my hon. friends opposite, many of whom I know have open minds, when I say that I would like them to look into this question. I want to reiterate the promise I made before in this House, that if they will look into it and study it, and take the solution which an easy sacrifice of consistency would lead them to adopt, I will be the strongest supporter they have in the carrying out of that measure. Why, to talk about going in for trade with the West Indies while our whole trade at the present time is $16,000,000, when you had a chance of vastly extending your trade, where you are at present doing a trade of $460,000,000, is the most frivolous piece of statesmanship which was ever undertaken by the men responsible for the government of a great country.

Now, I may be asked, could those oats be sold in the United States, because there was no argument so frequently used by the opponents of reciprocity as this, that there was no market for our goods in the States. Well, I do not propose to deal with that in a long argument, but I should like to give four or six figures to the House to show that just at this moment they have reached in the United States a condition where the production of foodstuffs has nearly reached its limit, while in this country we are just at the beginning of our production. In the States there is an enormous population with a limited extra production. Here we have a sparse population with an unlimited possible production. Now, if these figures do not bear out that general principle then I am unable to support an argument at all. According to the figures of the Blue-book last issued upon the trade of this country by my hon. friend the Minister of Trade and Commerce, giving the respective exports and imports from and to the United States and Canada, we imported during the seven months ending October, 1912, 127,000 bushels of what; but we exported to the United States 467,000 bushels of wheat. What we imported was a convenience to the people who imported, or they would not have imported it, as Canadians are mostly sane. The point to which I draw attention is the vastly larger figure of our export. Of oats, we imported from the United States 59,000 bushels, an inconsiderable and negligible quantity, while we exported to the United States 685,000 bushels. Of barley we imported from the United States 811 bushels; to the United States we exported in round figures 122,000 bushels. Of flax we imported from the United States 3,700 bushels; to the United States we exported 3,613,000 bushels; almost nothing coming in, and this enormous export going out. And yet our friends

opposite gulled this country into the belief that we could not do trade with the United States, forsooth, because both countries are raising the same kind of stuff.

There is another feature in regard to this, we are surmounting a higher tariff than they are; we are climbing a higher wall and still passing that stuff over the wall. Of all the frivolity of mankind Nero is supposed to be the greatest example the world has seen, he fiddled while Rome was burning. But I want to say that Nero was a serious minded person compared with my hon. friend (Mr. Foster). If the Fernie miners in the Crowsnest Pass had got free coke as they would have got under the pact, as opposed to a ninety per cent tariff against that coke, we should have done more trade from the Fernie mines than you will do under this pact, that is, in coke alone. Would that have ended with the Fernie mines in the Crowsnest Pass? Our friends opposite are supposed to be the great exponents of the building of industries in this country, but they stand not for the building of industries but for the restriction of industries. I was travelling across this continent the other day with a gentleman who knows the Fernie coal trade well, and he told me that at the present moment they raise in the Fernie mines from 2,000 to 3,000 tons of coal every day, and with the exception of what is sold in the immediate area of the mines, where it is raised, every ounce of that coal goes to the United States. And yet our friends opposite say you cannot trade there, you have to go to the West Indies or to the Antipodes to do so. That gentleman told me further that the present plant of the mines could put out from 5,000 to 6,000 tons a day. I asked him 'could they sell that extra coal in the States?' He said they would sell it as coke, and these men, when the matter was under discussion, were prepared to build coke ovens.

Mr. TURRIFF : There are hundreds idle to-day; they have been built already.

Mr. CLARK : The coke ovens must be idle because they are not in existence.

Mr. TURRIFF : They are idle; they are built in now.

Mr. CLARK : They should have built these coke ovens. I would not ask a child of ten to assent to my proposition that it would have been a benefit to Fernie and district. Does the hon. gentleman opposite believe in his heart—because he and his friends claim to be the great builders of industry—that this would have been any great hurt to the prairie ? My hon. friends believe in the home market. The hon. Minister of Trade and Commerce used to be a great apostle of the home market, but he seems to have changed that. Now he is going in for foreign commerce and he is going in for it with a vengance. He reminds me of a story I once heard of two Scotchmen who were riding out one day. They saw a man whom they both knew very well and he resembled the Minister of Trade and Commerce in that he was in an unaccustomed role. These Scotchmen had always seen this man in the kilts, but upon this occasion he was observed to be wearing an extremely wide pair of trousers. One of the Scotchmen commented upon the same circumstance and the other replied: 'Converts are always enthusiastic.' When the Minister of Trade and Commerce goes in for foreign commerce he takes a long journey for that purpose. Would it have hurt the plains to have built these coke ovens ? Where do they get their agricultural products in Fernie and district now ? —in Alberta and Saskatchewan. It would have put fresh settlers on the plains just as surely as supply follows demand. Would it have hurt Ontario—poor frightened, loyal Ontario? Where would the machinery, which would have gone into Fernie, have come from if not from Ontario ? Where would the extra settlers on the plains have got their boots, shoes and clothes ?—from Ontario, the place from which they get such a large quantity now. This pact would not have hurt any man, woman or child in Canada, but it would have given an enormous impetus to the trade of this country and conferred a tremendous benefit on every one. Hon. gentlemen opposite may laugh and they may think that this is a trifling matter. It may be a trifling matter to people who are always spending their time in Empire building, who are saving the British Empire every three weeks, but it is no trifling matter to the men who are living on the plains and who are the real Empire builders. It is no trifling matter to men who have put their all in the land out there and who are doing the duty of landlord, tenant and labourer and doing it without the ability to dispose of their produce. It is not much consolation to the men who lost that trade pact that we have made a little bit of an arrangement with the West Indies and that my hon. friend the Minister of Trade and Commerce has, after twenty-one years' hard work, got down to real business on this question of preference at the very moment when the British end of the thing has broken down, and the creature having died at the heart, the remains are pretty sure to follow on short notice.

Hon. W. T. WHITE (Minister of Finance): It was not my intention to take any part in this discussion, and it is not my intention to occupy at any great length the time of the House. But my hon. friend from Red Deer (Mr. Clark) has honoured me with

his attention, and he seems to be in some doubt as to whether I regard this agreement as jeopardizing in some manner the fiscal independence of Canada. Let me assure my hon. friend that I have no doubts on the matter whatever. There is no danger to the Empire in this agreement which has been presented to the House by my hon. friend the Minister of Trade and Commerce (Mr. Foster). There is no man in this House to whom I listen, speaking generally, with greater attention or interest than the hon. member for Red Deer. There is a quality of spontaniety and of wholesome humour about him that, I must say, appeals to me and there is also an originality about the hon. gentleman. When my hon. friend from Red Deer is speaking it is always my hon. friend from Red Deer; we know that it is no one else. If he strikes a hard blow, a good English blow, it is usually above the belt. I will pay him that credit. My hon. friend is interesting to me because he is one of the few specimens of free traders still extant in this country; at least he was until very recently. He is a graduate of the Manchester school, I believe, an apostle of Bright, of Cobden and, I think, going back farther, of Adam Smith.

Mr. FOSTER (North Toronto): A son of Adam.

Mr. WHITE: And a son of Adam. That is one point of similarity between him and the rest of us; we are all sons of Adam. But, until recently he was an apostle of Adam Smith. I have always considered my hon. friend a free trader, dyed-in-the wool, a convert not likely to apostasize, a free trader, free trader to-day, to-morrow and for ever. It was to me a suprrise recently in the naval debate to find that my hon. friend had changed from a dyed-in-the-wool free trader to the most rabid protectionist that we have ever had in this country. My hon. friend is a fiscal chameleon: he can change his colour not only overnight but in a few minutes in the course of a debate. I was so surprised to hear my hon. friend's utterances in the naval debate in regard to the building of ships in Canada, required to meet the serious need of the Empire at this particular juncture, that I did not trust my memory, but I took occasion to look up 'Hansard,' and what did I find? I found that my hon. friend was speaking of the serried hordes of labour that he had seen in the Glasgow ship yards.

Mr. CLARK (Red Deer): Mr. Speaker, I rise to a point of order. I am sorry to do so because I do not fear any argument that is borrowed from the Minister of Trade and Commerce, but I think it is not according to the rules of the House that speeches of this session should be discussed at this present moment.

Mr. WHITE (Leeds).

Mr. SPEAKER: The rule is quite plain that a previous debate cannot be quoted in the House. I was not quite sure that the hon. member intended to quote a previcus debate.

Mr. WHITE: If my hon. friend is not willing that this House should have again brought to its attention what the hon. gentleman said only a few days ago I cannot object to the ruling of the Speaker.

Mr. CLARK: As a member of this House I claim, what my hon. friend has just said, that I can give hard knocks and take them. I am a little bit of a stickler for the rules of parliamentary procedure, and, after all, rules are bigger than my hon. friend and bigger than I.

Mr. WHITE: I should like to call attention to the fact that when my hon. friend did me the honour of referring to me, he himself referred to a passage in a previous debate, the debate upon the Address.

Mr. CLARK: Last session.

Mr. WHITE: This session. My hon. friend referred to the fact that I had, in connection with the reciprocity agreement, stated that it involved the fiscal independence of Canada. Now my hon. friend is objecting to my doing precisely what he did a few moments ago with reference to myself. Let me appeal to my hon. friend. My hon. friend is a true Briton, believing in fair play. I ask him if he is unwilling that I should refer to certain utterances of his in the previous debate on this question of trade. I ask him, and I appeal to his sense of fair play, as to whether he thinks it quite in accordance with that British fair play, that he should challenge me here as to a matter that I referred to in a previous debate, that he should quote what I said in a previous debate, and then object when I get up to defend myself in connection with that and reply to his argument.

Mr. CLARK: I think I was saved from being out of order by the fact that it is perfectly notorious to every one of us who listened with the closest attention to my hon. friend's maiden speech in this House, that he elaborated his great argument about his fiscal independence in the speech which was delivered last session. The rule applies to a reference to a debate which has taken place in this session. I am not unwilling to meet anywhere any argument that my hon. friend can make. I do not rise for my own protection; I rise for the protection of the House of Commons and its members.

Mr. WHITE: If my hon. friend objects, I will not refer to the previous debate; I will put it this way: During recess my hon. friend has been speaking in the West

on the naval question. I saw reports of his speeches from time to time, and unless I am very much misinformed, my hon. friend took the view that the ships should be built in Canada.

Mr. TURRIFF: What is wrong with that?

Mr. PUGSLEY: What does the hon. gentleman himself think of it?

Mr. WHITE: The hon. gentleman will find out what I think about it a little later, when I will have something to say to my hon. friend. I have not the slightest objection to anything being done in Canada that can be done in Canada. When I speak upon the naval question, I shall endeavour to demonstrate that in this particular instance it is against the interests of the Empire that we should waste precious time in experimenting in the attempt to build dreadnoughts in this Canada of ours, in time to serve the needs of the Empire as they exist at present.

Mr. MACDONALD: Might I ask the hon. minister whether he is going to argue that it is against the interests of Canada that these ships should be built in Canada?

Mr. WHITE: I like to be courteous to my hon. friend. Let me say this to him. When I come to deal with this question, I think I shall be able to deal with any arguments advanced by my hon. friend.

Now, in regard to my hon. friend from Red Deer (Mr. Clark), to whom I say I always listen with the greatest pleasure, during recess my hon. friend took part in a campaign in the West and, as I have said, took the view that these ships should be built in Canada. My hon. friend is an apostle of free trade; the motto of free trade is, 'Buy in the cheapest market and sell in the dearest.' Does my hon. friend claim for a moment that ships can be built in Canada within thirty-five or forty per cent of the cost of building them in Glasgow, where labourers and artisans receive nothing like the remuneration or wages that they do here, to say nothing of the extra time that would be required?

Mr. PUGSLEY: I say yes.

Mr. WHITE: I will answer my hon. friend later. As regards my hon. friend from Red Deer, I think that is an apostacy from the tenets of free trade of which he is an apostle. When I read the reports of his speeches in the West, I thought it was the greatest case of apostacy since the days of Daniel Webster. I do not know what we will have to call my hon. friend if he persists in the protectionist heresy according to Adam Smith and Cobden. In view of his previous record, it seems to me that his name shall always be Ichabod, because his free trade glory has departed. With regard to reciprocity, so much has been said about reciprocity in this House that I for my part do not propose to take it up here. To be frank with my hon. friend, I do not discuss reciprocity because I think it is disrespectful to speak lightly of the dead, and I believe that reciprocity is dead.

Mr. TURRIFF: Preferential trade is dead.

Mr. WHITE: My hon. friend from Red Deer has had a great deal to say about reciprocity, and has blamed this Government for their rejection of it. This Government did not reject reciprocity. Reciprocity was rejected by the people of this country. I have very great respect for hon. gentlemen opposite, but I think that reciprocity has got on their nerves and on their minds; they have become obsessed with the idea of reciprocity. Why do they not admit that they have 'got in wrong,' to use a common expression, and have made a mistake and say: 'We have made a mistake; we are going to make a fresh start.' That is what they ought to do politically and in every other way. They made a mistake; the country said so, and the country would say so again.

Mr. TURRIFF: Give it a chance.

Mr. WHITE: There is no sentiment in the country in favour of reciprocity. You may find it in certain localities, but you will not find it generally. My hon. friends made a serious political mistake, and they will not admit it. The sooner they admit it the better for them as a party, although they do not want any advice from me. The people of this country believe that their fiscal independence would be jeopardized by concluding a trade arrangement with their great neighbour to the south. There they have a hundred million people; here you have eight million people. In 1866, when Messrs. Hay and Howland went to Washington, as I said in the last debate on this subject in which I took part, the Hon. George Brown, the founder of the Globe, said that he was against any reciprocal agreement such as was recently proposed, terminable on six months or a year's notice.

Mr. LEMIEUX: What about 1874, when he went down?

Mr. WHITE: My hon. friend sometimes is curiously impatient. In 1866 George Brown took that view. He said: 'We should not be kept dangling upon the legislation of Washington.'

The people of Canada are quite willing that the people of the United States should

control their own tariff. If they need our products, agricultural or manufactured, we are quite willing they should arrange their own tariff with respect to them. The people of Canada by their decision of the 21st of September, 1911, announced that Canada desired to continue to have the right of also controlling her own tariff, and if we decide to have a high tariff, or a low tariff, or an intermediate tariff, we can control it ourselves. But, the people of Canada were unwilling we should enter into an agreement with our powerful neighbours to the south, which would, in effect, give them control over our tariff legislation and to that extent jeopardize our fiscal independence. That was the verdict of the Canadian people. The Liberal party simply made a mistake in appealing to them on that issue, and that mistake seems to hang over the Liberal party to-day as a sort of obsession, and occasionally men like my hon. friend from Red Deer tell us about the benefit which would accrue from this reciprocity agreement. Well, the reciprocity agreement is dead; reciprocity is dead; the people of Canada have decided against it. It was not this Government, it was the people of Canada whose servants we all are who decided against the reciprocity agreement. What has my hon. friend from Red Deer to say of the statement made by President Taft in his letter of April of last year to ex-President Roosevelt. Mr. Taft is the head of the neighbouring republic and we all highly respect him and President Taft's idea of what reciprocity would do was, he stated in a short but telling sentence; it would transfer to Chicago and American points Canadian bank credits and everything else. These are the words of President Taft: 'everything else.' What has my hon. friend from Red Deer to say to that?

Mr. PUGSLEY: Does the Minister of Finance agree with those remarks of President Taft?

Mr. WHITE: Well, 'everything else' is a fairly sweeping term, and it might include even transferring the House of Commons and a great many other things to the United States.

Mr. PUGSLEY: Does the hon. gentleman agree that the effect of that agreement would have been to transfer the business of our great cities, such as Montreal and Toronto, to Chicago and New York?

Mr. WHITE: It would have had a very serious adverse effect upon all our great Canadian cities. You may have an unsound judgment given by a people on the spur of the moment, or in the height of passion, but when you get a people intellectually and morally sound as the Canadian people are, to consider such a question as reciprocity, not for one month, or two months, or three months, or six months, but for two years, and when you get the judgment of that people on that issue, after such consideration, I think I can say that you get a pretty sound and well-reasoned judgment. I would submit, for the consideration of hon. gentlemen opposite, that when we have got that judgment as we did get it on the 21st of September, 1911, we ought to bow to it and accept it. That is the position to-day so far as reciprocity is concerned.

Mr. FOSTER (North Toronto): I want to draw your attention, Mr. Speaker, to the fact that there is a Bill before the House, and we have had by gentlemen on both sides a pretty wide discussion, which has been a long way off from the Bill. From this time forward, I shall have to press the point of order against everybody, that we should consider the Bill before us.

Hon. WM. PUGSLEY: Before the Minister of Trade and Commerce asks the House to give this Bill a second reading, he should have informed the House as to what has been done in regard to what I consider a most important section in the treaty. That section is:

> The Government of Canada may provide that, to be entitled to the concessions granted in section 2, the products of any of the above mentioned colonies shall be conveyed by ship direct without transhipment from the said colony or from one of the other colonies entitled to the advantages of this agreement into a sea or river port of Canada.
>
> Provided that should the discretion herein granted be at any time exercised by the Government of Canada, provision shall be made in all contracts entered into with steamships subsidized by the Dominion plying between ports in Canada and ports in the colonies, which are parties to this agreement, for an effective control of rates of freight.

Now, one of the reasons which might fairly influence this Parliament to approve of that agreement is the fact that it provides, that just as soon as the Government can secure effective control of the rates of freight of steamships between Canada and the West Indies, it may by proclamation declare that the benefits of this treaty, so far as Canada is concerned, shall only apply to goods which are brought direct from the West Indies to a Canadian port. The hon. gentleman has not given the House the slightest information as to what has been done in respect to that important clause of the treaty. I am satisfied that it is the feeling of the people of Canada that in making treaties with any foreign country, or with any of the Overseas Dominions of the Empire, or colonies of the Empire, it should be provided as far as possible that the preference which is given to such countries should only apply

to goods coming direct to a Canadian port, so that we may build up the ports of Canada. I repeat what I said earlier in the session: that it is a discredit to this great and growing country, this country of vast resources, this country with a magnificent revenue which has quadrupled since 1897 when the fiscal policy established by the Liberal Government was inaugurated and under which the foreign trade of this country has grown with marvellous rapidity; I say that a country with such wealth, such resources, such a rapidly increasing revenue, ought to be able to provide that the goods from our sister colonies in the West Indies should come direct to a Canadian port. It is a discredit to Canada that the great bulk of the trade and travel between Canada and the West Indies should be carried on through the port of New York. It does seem to me that my hon. friend (Mr. Foster) owes it to this House to inform us as to whether the Government is in a position, if this treaty is ratified by Parliament, to bring into force the provisions of this very important clause. My hon. friend may say as he said before that we must first get a good steamship service. That may be true, and perhaps it is only fair to the West Indies that that should be arranged for. But surely my hon. friend should have told the House what has been done by the Government in that regard; he should have told the House how near we are to a realization of what we believe is in the best interests of Canada and in the best interests of the West Indies. I listened with a great deal of interest to the remarks of my hon. friend from Halifax (Mr. Maclean) when, in speaking of this treaty with the West Indies, he took occasion to criticise the Minister of Trade and Commerce for certain remarks he had made in London to the effect that but for the rejection of the reciprocity arrangement with the United States, the bringing about of this treaty would not have been possible. I do not think my hon. friend is ordinarily carried away by the exhilaration usually attendant upon dinners in the city of London; but, had it been anybody else but my hon. friend himself who made an observation of that kind I should have thought the surroundings of the occasion had had an influence upon him. Nothing, certainly, could be further from the truth or less justifiable than a statement of that kind. My hon. friend and other members of the Government are open to the charge of having during the last season, given a vast deal of wrong information to the people of the Mother Country. My hon. friend is reported to have said on one occasion that the people of Canada, on the 21st of September last, emphatically declared their intention of remaining a part of the British Empire. I represent a province, the majority of whose electors voted in favour of what we thought an arrangement most beneficial to the people of Canada; and on behalf of those people I hurl back upon my hon. friend the sentiments he expressed in London. The majority cast in the last election in favour of the party now in power was only 40,000. If that majority is held to have emphatically declared in favour of Canada remaining a part of the Empire, does not that mean that those who voted for the reciprocity arrangement were in favour of separation from the Empire? My hon. friend the Minister of Marine and Fisheries (Mr. Hazen), who is not in his seat, was as great an offender, or even a greater offender, than my hon. friend the Minister of Trade and Commerce. He too is reported to have declared at some of these dinners that the people of Canada on the 21st of September made up their minds that they would never separate from the British Empire. By such statements these hon. gentlemen gave the public to understand that the question of separating from Great Britain and becoming a part of the United States was the question at issue in that campaign. I say these hon. gentlemen cast that insult upon the people of my province, and upon a majority of the people in three of the great provinces of Canada, people who are just as loyal, just as firmly attached to the Empire, just as determined that Canada shall for all time remain a part of the great British Empire, as the people who voted against the reciprocity arrangement. Is it any wonder that gentlemen like Mr. Walker Long and others who come from Great Britain to visit Canada go about making the absurd and unwarranted statements they have made?

Mr. SPEAKER: I would remind the hon. gentleman of the rule concerning the confining of speeches to the subject under discussion.

Mr. PUGSLEY: That is what I am endeavouring to do, Mr. Speaker.

Mr. SPEAKER: I think the hon. gentleman is wandering from the principle of this Bill.

Mr. PUGSLEY: I see the Minister of Finance (Mr. White) is not in his place, but might I, before I depart from this subject, relate an incident that recently took place in this city. One of these Unionist gentlemen was in Ottawa and was introduced to a gentleman who he thought was a member of the Government. The visitor said: 'I am delighted to meet you. I beg to assure you that you and the members of your Government occupy a warm place in the hearts of the people of England. We look upon you as the saviours of the Empire; and it is a matter of great gratification to me to meet you.'

I use that merely as an illustration to show that people will receive an erroneous impression through the statement made by my hon. friend when he told the people that but for the determination of the people of Canada to remain irrevocably a part of the Empire, it would not be possible to make treaties of this kind.

Let me ask the Minister of Trade and Commerce if he has given any thought to the statement his leader made in the city of New York a few months ago, after the last general election. He told the people there, as explaining why Canadians had rejected the arrangement of reciprocity, that the Government was opposed to making any fiscal arrangement with any country, whether colonies of the Empire or not; that it would lead to entanglement and dissatisfaction, and for that reason he and his Government were opposed to any such arrangement. Is the hon. gentleman aware that his leader told the people of New York that arrangements between the colonies in South Africa had led to dissatisfaction and that on that broad ground this Government was opposed not only to the arrangement of reciprocity with the United States but even to fiscal arrangements with parts of the Empire. How does he square the present arrangement with the West Indies with the sentiments publicly and deliberately expressed by his leader on that occasion?

I hope I have not wandered too far from the point. I do not often do so, and I hope, Mr. Speaker, that if I have erred you will pardon me. I have no particular objection to this treaty, except on the grounds that I have stated and that we are not in a position to discuss it as it ought to be discussed. As I have said before the hon. gentleman asks the House to adopt this Bill he ought to tell us what arrangement he has made for improved steamship service. If he has not made such an arrangement he ought to be able to tell us that he is going to do so. The Government proposes to send away $35,000,000 to be used in paying labouring people outside of Canada. My hon. friend, surely, ought not to allow $20,000, or even $50,000 a year of subsidy to stand in the way of getting a steamship service between Canada and the West Indies which will prove benefical to the freight and passenger traffic of this country.

I find that schedule B of the treaty provides that certain articles of the British West Indies shall be admitted at four-fifths of the duty of similar articles coming from the Mother Country. In this list are a number of articles which are not produced in Canada, articles of food, such as sweet potatoes and yams. It seems to me that these ought to be made absolutely free. I think when my hon friend had an opportunity of making an arrangement which will lessen the taxes on the food of the people of this country, he ought to have provided that these articles coming from the islands with which we have made an arrangement should be free. This may not have been a wide opportunity, but it was an opportunity, and I should have been glad if my hon. friend had availed himself of it, instead of picking out one or two articles and raising the duty on these so far as the rest of the world is concerned. Instead of placing on the dutiable list any article now free he ought to have selected articles now dutiable and, so far as these colonies are concerned, made them absolutely free in order, as I have said, even in small measure, to lighten the burdens of our own people.

Hon. FRANK OLIVER (Edmonton): I do not wish to delay the House at any great length, but I desire, on the second reading of this Bill, to emphasize the importance of a matter alluded to by the hon. member for St. John (Mr. Pugsley) as concerning the principle laid down by and contained in this Bill. It is suggested by the Minister of Trade and Commerce that this is one of a series of such arrangements he hopes he will in the future be able to make throughout the Empire. This being the case, if the principle is not satisfactory I think now is the time to say so, in order that the minister will be under no misapprehension when he comes to negotiate treaties with other parts of the Empire. It was certainly with a great deal of surprise, I am sure, that the people of Canada learned that one of the conditions upon which Canada secures an extension of her trade with the West Indies is that articles of food now imported into Canada free are to be made dutiable; in other words, that, as the price of the further extension of Canada's trade with the West Indies, the cost of living to the consumers of this Dominion is to be increased. I admit that in amount the matter is trivial, but I maintain that the principle involved is absolutely objectionable, and that such a principle embodied in future arrangements will certainly be objectionable, and proportionately so as relating to the amount involved.

If I understood the hon. minister aright when introducing this Bill, a considerable number, if not all, of these products of the West Indies which are to be permitted to come into Canada at a preferential rate, are entering Canada at the present moment under a preferential rate of 33⅓ per cent, as against the rate of 20 per cent proposed by the Bill. In other words, the West Indies are being guaranteed for a term of years a preference of 20 per cent, while at the present moment they are enjoying a preference on the same articles to the

amount of 33⅓ per cent. I have no doubt the hon. minister will say that he made a good bargain because he is getting access to the West Indian market for Canadian products, while not increasing the preference given by Canada. He may even go further, and say that the late Government was remiss in its duty, in that, having given a preference of 33⅓ per cent to the West Indies, it did not, at that time, secure access on favourable terms of Canadian goods to the West Indies. Let the matter of what the late Government did or did not do rest for the moment. What I say to the minister on this occasion and in this connection is, following what the hon. member for St. John has said, that what the people of this country want in the negotiation of any treaty is such action as will tend to reduce the cost of living. That is one great object that we have in giving sanction to any trade treaty, and when the minister was negotiating with the people of the West Indies to secure access of Canadian products to those islands, his business was to secure for the products of this country more favourable terms in the West Indies by giving still more favourable terms to West Indian products coming into Canada. This is to say, it was his business to abolish the duty on these articles which Canada does not produce, thereby reducing the taxation on the consumers of Canada, and, at the same time, securing expansion of Canadian trade in the West Indies. When this proposition was placed before the House, and I saw that the mutual preference was a matter of 20 per cent when we were already giving them a preference of 33 1-3 per cent; when I saw that a principle of the agreement was that the tariff on certain articles of food used by the people was to be increased, I could hardly believe that these were the terms of a commercial treaty negotiated by the Government of which the hon. minister is a member. The principle that it is wrong or dangerous to reduce the burden of taxation upon the people of Canada when the opportunity arises is one to which I wish to register on this occasion my absolute dissent. I would point out to the minister and those who support him that the radical difference in principle between his reciprocity arrangement and that negotiated by the Minister of Finance of the Government is that under the Liberal proposal, absolutely in accord with Liberal principles, there was an actual reduction in the burden of taxation upon the people of Canada, accompanied by an opportunity for the expansion of Canadian trade; whereas the principles underlying the present proposed reciprocity arrangement with the West Indies is that the consumers of Canada shall by carrying an increased burden, pay for such expansion of trade as Canada will be able to secure under this arrangement. I hope I have established that there is in principle the widest difference between the reciprocity arrangement of the late Government with the United States and that now proposed by the Minister of Trade and Commerce in regard to the West Indies. Truly, I understand that in regard to the West Indies the matter is not one of serious importance, but I do want to say that when the minister goes to some other dependency of Great Britain, the trade of which is possibly of much greater importance than that of the West Indies, and undertakes to carry out a similar principle, the result is liable to be materially injurious to the people of Canada. In any case, let it be distinctly understood that there is a difference as wide as the Poles between the trade policy of the late Government and that of the present Administration; that the trade policy of the late Government was one of reduced taxation accompanied by expansion of trade, whilst the policy of the present Government is one of securing expansion of trade at the price of increased taxation upon the Canadian consumer.

Mr. E. M. MACDONALD (Pictou): Before this Bill goes through its second reading, there are one or two matters in regard to which the hon. Minister of Trade and Commerce ought to enlighten the House. The hon. Minister of Trade and Commerce might be said to be the extra plenipotentiary of the Ministry. The other members of the Ministry deal with the various affairs that pertain to their particular departments, but when it comes to Imperial questions, to our relations with the Mother Country or with the other colonies, I think everybody in the Ministry and in the House will agree that these subjects are under the particular control and special guardianship of the hon. the Minister of Trade and Commerce. That being so, and considering the fact that my hon. friend spent quite a long period during last year in England, and discussed publicly and privately this question of Imperial preferential trade, the status of Canada within the Empire, or her relations with the other colonies, and the aspirations of himself and of his friends as to the future of preferential trade, I think that before my hon. friend asks this House to adopt this child of his he ought to tell us something about the relations of himself and of his Government to the people who are particularly interested in that wide question.

Now, Mr. Speaker, I have no doubt that my hon. friend the Minister of Trade and Commerce had relations and discussions, no doubt of a close character, with Mr. Bonar Law, the leader of the Unionist party in the Imperial House of Commons. I am quite sure that Mr. Bonar Law never made that speech at Ashton-under-Lyne without having had some previous discussion of

his Imperial preferential trade scheme with my hon. friend the Minister of Trade and Commerce. Starting with the original proposition laid down by Joseph Chamberlain some ten years ago, when he proposed that there should be a system of free trade within the Empire, and tariffs as against the rest of the world, we have had a general and peculiar gradation, until to-day we have a policy which changes with every whim of the English people. One day it is proposed to tax the bread of the English people; another time it is proposed that the colonies shall be called into consultation and that they shall say what tariff is to be imposed within the Empire. On other occasions and under other circumstances, we have had declarations upon this question. For my part, I am rather inclined to believe that there is a very large section of people in Canada who have hitherto supported my hon. friend the Minister of Trade and Commerce, but who are not very anxious to see any arrangement made with the Mother Country whereby entrance into Canada shall be given to the manufactured products of the Mother Country. I am quite sure that a large number of these people would like to know just how far the Minister of Trade and Commerce has gone with Mr. Bonar Law and Mr. Chamberlain and the other leading lights on this question, how far he he has committed himself, and what assurance he has given as to what his party and Government are prepared to do with regard to this wide question of preferential trade.

Mr. SPEAKER: I am afraid I shall have to remind the hon. gentleman that he is rather wandering from the discussion of the principle in this Bill.

Mr. MACDONALD: We are dealing here with a question upon which my hon. friend the Minister of Trade and Commerce, his Government, his party, and his press in this country have been congratulating them-in a very great degree as being the first step in the solution of the wider question. If this measure is not and is not to be any part of the solution of the problem of Imperial preferential trade, then I am going beyond my rights, although I think your ruling is a little strict. But I believe that the Minister of Trade and Commerce, if he has not already done so in this House, will be prepared to say that he has the right to congratulate himself upon the fact that this arrangement with the West Indies is a step in the direction of the attainment of the wider aspiration. That being so, I think I have a perfect right to discuss this question. I have the right to ask my hon. friend the Minister of Trade and Commerce, before he asks this Bill to be given a second reading, to tell us whether he himself or his Government has made any arrangement with the men who in other parts of the Empire are the particular exponents of the wider scheme.

Mr. SPEAKER: I think the hon. member is going too far. I have given him what I regard as a ruling upon the matter, and I do not think it is competent to question that ruling without the usual recourse to an appeal to the House.

Mr. MACDONALD: If your honour pleases, I have the greatest possible desire to keep myself within the rules of this House. If I had the slightest idea that in the discussion of this question I was going beyond what was my perfectly legitimate right in asking my hon. friend (Mr. Foster) to tell us whether or not this is part of the wider scheme, then, Mr. Speaker, I would at once bow to your ruling. But I may be permitted to say with all deference—

Mr. SPEAKER: Order. It is not permissible to discuss the ruling of the Chair. The only alternative is an appeal to the House. In my judgment a discussion of the abstract question of trade with the Mother Country is outside the principle of this Bill. In my judgment the hon. member is not confining his remarks to the principle involved in this Bill.

Mr. MACDONALD: I am quite sure, Mr. Speaker, that you have not, with your manifold duties, read the details of the Bill. I direct your attention to section 7 of the Bill:

> The advantages or concessions granted by this Act to the colonies parties to the said agreement shall extend to the United Kingdom and such of the other British colonies and possessions as may be admitted thereto by proclamation published in the Canada Gazette.

And so on. I do submit, Mr. Speaker, that I have the right under the terms of this measure to discuss on its second reading the principle involved in it, as to how far its terms—

Mr. SPEAKER: I admit the hon. member has a right to discuss the principle of the Bill, but when he wanders off and discusses what took place in England on abstract questions of Government antecedent to the framing of this measure, it seems to me rather a departure from the strict principle of the Bill.

Mr. MACDONALD: I must say, Mr. Speaker, that the lines upon which you have laid down the limits of the discussion of this Bill seem to me somewhat narrow. I propose, however, without indulging in any speculations upon abstract problems, to discuss practically the effect of the agreement in regard to the United Kingdom and to the other colonies. Section 7 of the Bill says that the advantages under this

measure shall extend to the United Kingdom and to the other colonies, so that there is a very wide question involved in this Bill. Let me direct your attention to the fact that section 6 of this Bill, schedule D, says that the Bahamas, Bermuda, British Honduras, Grenada, Jamaica, and Newfoundland are all to have the advantages and concessions provided under this agreement for a period of three years. Let me suggest a contingency which seems a proper subject of discussion. I noticed in the press this morning that the Bahamas and Bermuda are proposing to negotiate a reciprocity agreement with the United States. I would like to know from the hon. minister whether or not the effect of such an arrangement, if made, would be to create new conditions with respect to Canada. My hon. friend the Minister of Trade and Commerce has, I am sure, advices upon the subject. No doubt he has considered it, and it seems very important that the House and the country should know just what the status of Canada would be if, as a result of that agreement, Bermuda and the Bahamas made a reciprocity treaty with the United States, while they have a reciprocal arrangement with us under this Bill. Let me point out that that is information which the House should have and should consider in discussing the second reading of this Bill. It is a very important matter. The hon. the Minister of Trade and Commerce in moving the second reading of the Bill gave us some very interesting details, but with regard to the principle involved in the measure, his information was somewhat crude. For example, where do we stand as regards the United Kingdom in reference to this Bill? Did my hon. friend tell Bonar Law that he could make his statement at Ashton-under-Lynne, and was that statement of the English Unionist leader made as the result of conference with the Canadian Minister of Trade and Commerce? This country has a right to know whether its chief representative in the making of this treaty, when he goes beyond the limits of Canada, should undertake to make arrangements with the Mother Country and its public men who happen not to be in the Government for the time being, as to what Canada's attitude is going to be with regard to trade questions. The people of the United Kingdom and of the British Empire were interested a short time ago in a sudden volte face by the leader of the Unionists with regard to this question, and we know that the Minister of Trade and Commerce had been over there. He has ambitions, and I do not think they are unworthy ambitions, to go to Australia and conclude a trade arrangement with that country, and let me ask him if he has made any preliminary arrangement with the Mother Country in regard to that, and if he can tell us what is the attitude of the British Chancellor of the Exchequer on that question?

Mr. FOSTER: I am afraid I cannot.

Mr. MACDONALD: Of course, the hon. gentleman did not confer with Lloyd-George the present Chancellor of the Exchequer, but perhaps he can tell us what Bonar Law has to say about such matters. Canada would like to know, England would like to know, this House would like to know these things when he comes before it with an agreement which affects our tariff relations with Great Britain and with the West Indies, and which he and his friends will go up and down the country congratulating themselves upon as being the first step in a scheme of Imperial preferential trade. This House also has the right to know what the effect on Canada would be of a reciprocal trade arrangement made between such important British possessions as the Bermudas and the Bahamas and the United States. Are there any restrictions in this treaty which would prevent the islands included in it making an arrangement with any other country which might be our competitor, and which would result in letting goods into Canada which would compete with our products. I think the Minister of Trade and Commerce should take us into his confidence and tell us what he has arranged with the preferential tariff people in the Old Country and what he purposes doing.

Motion agreed to, and Bill read the second time.

House in Committee on the Bill (Mr. Deputy Speaker in the Chair).

On section 1—short title:

Mr. MACDONALD: It is due to the House that the Minister of Trade and Commerce should now give us explanation of the matters I have placed before him.

Mr. FOSTER: I purpose taking up these several points on the sections as we come to them.

Mr. MACDONALD: What about the larger question?

Mr. FOSTER: We will get it wedged in somewhere before we finish. In reference to the momentous questions solemnly put to me by my hon. friend, I would like to have the advantage of the dinner hour for cogitation.

On Section 3—Duties on goods in schedule B.

Mr. PUGSLEY: Most of these articles are not produced in Canada, and why is the preference stipulated for here only one-fifth or twenty per cent, when the

British preference rate is thirty-three and one-third per cent?

Mr. FOSTER: You will notice that there is an alternative stated. The exporter from the West Indies, sending his goods into this country, gets the lower rate of duty. If the duty set out in our tariff is at any time lower than four-fifths of the duty levied upon the goods coming from any foreign country, then that is the rate under which the West Indian goods come into this country. If four-fifths of the duty levied upon goods from a foreign country happen to be in any case less than the British preferential rate as it stands under our tariff at the time, he gets the benefit of the latter or lowest duty. It works out that the preference as it is to-day on the statute-book is given under this arrangement to the goods from the West Indian Islands that are parties to this arrangement. It does so happen that in a number of cases four-fifths of the duty leviable upon the goods from a foreign country are a lesser rate than the full British preferential tariff, and in that case the West Indian exporter gets more than he would under the British preferential tariff. In the majority of cases, of course, the British preferential tariff gives a better entrance to West Indian goods into our market than would the four-fifths' provision. In that respect, we have not heightened the duties upon the West Indian goods, so far as the participants to this arrangement are concerned. In making a trade arrangement for a period of years, something like finality was necessary. We are not bound to say that the British preference of to-day shall be the British preference of next year; we may make a larger British preference on certain articles; there have been already several changes made in the British preference. The West Indies said to us: If we are going to give you for ten years a certain stated preference in our market we want to be sure that we can get an equivalent stated entrance into your market for that same period; as it is within your power to change the existing preference, there is no guarantee of uniformity; we say we will always give you a certain preference below which that preference shall not go, and we wish you also to guarantee a certain stated preference below which your preference to us shall not go.

Mr. PUGSLEY: We have for a great many years been giving a preference to the West Indies in our markets of 33⅓ per cent, and I suppose we shall continue to give them that preference. The West Indies, on the other hand, only agree to give us a preference of twenty per cent, which is a very low preference as compared with that which we have been giving them under the British preference. Why did not the hon. gentleman succeed in getting the West Indies to give Canada a preference of thirty-three and one-third per cent, as we have been giving them?

Mr. FOSTER: The British West Indian Islands are differently situated with regard to revenue capabilities from the Dominion of Canada. Their revenue comes to them from their taxation alone, largely on food products, and they felt it was impossible for them to give a greater cut than one-fifth. That was the highest limit the West Indian Islands thought they could set. We would have been glad in a way to have obtained more, but when you take the whole matter into consideration, the preference of one-fifth which the West Indian Islands undertake to give to Canada and the Mother Country is pretty generous.

Mr. PUGSLEY: Then I am to understand that it is the West Indies which refused to make the preference larger?

Mr. FOSTER: I would not like to say refused, but they did not feel they could go beyond that. The report of the British Commission seems to have set the rate to which the Commission were trying to bring the people of the West Indian Islands to a unanimous agreement. Some of the islands might have been able to give something more but there would be manifest confusion to have different rates given by different islands; the aim was to have it uniform for all the islands.

Mr. TURRIFF: It would seem that the West Indies apparently had the idea, knowing the well known protective proclivities of the present Government, that it was necessary for them to have a saving clause and not to depend upon the British preferential tariff, fearing that in all probability, it would be cut down to less than twenty per cent. Apparently, they have taken this means to guarantee to themselves, that at all events they will not have less than twenty per cent. It looks very much as if the intention was on the part of this Government to reduce the British preference, and the West Indies apparently took that view of it. Of course I would not ask the Minister of Trade and Commerce to say now whether it was the intention of his Government to make any reduction in the British preference, but the whole thing conveys that impression.

Mr. FOSTER: If my hon. friend did not wish to make a political argument, he would hardly take that ground. The West Indian delegates were entering into an agreement for ten years by which they guaranteed Canada a certain reduction for

that period, and, as the hon. gentleman would do himself, if he were entering into a bargain, although he might have perfect confidence in the man with whom he was dealing, he would like to have in black and white a definite statement as to what the other party should do. If he binds himself, he naturally would think that the other party should be bound as well. Then again, the delegates had to return and report to the different West Indian colonies what they had done, and it would not be considered a businesslike proposition if there was not some definite guarantee given on one side as well as on the other. I do not think that showed any lack of faith in the continuance of the British preference, and if it is any gratification to my hon. friend to know anything about it, I may tell him that the Government has not at this present moment any intention of reducing the British preference.

Mr. OLIVER: I have had occasion already to say that it appears to me the treaty is seriously ineffective as being beneficial to the people of Canada, nor does it appear that it is seriously beneficial to the people of the West Indies, in the matter of reducing their taxation. The point has been raised that this treaty was entered into by the people of the West Indies rather under compulsion or expected compulsion than through good-will. Had my hon. friend made this treaty with the West Indies, rather from the standpoint of good-will than from the standpoint of compulsion, both Canada and the West Indies might have benefited to a much greater degree; that is to say, we might have had more substantial reductions in duty upon the different products that we buy from the West Indies, and they might have had more substantial reductions in duty upon the goods they buy from us. As to the benefit there is to Canada in a twenty per cent reduction in duty on Canadian goods going into the West Indies, I need not bring to the attention of those members of the House who are at all familiar with the matter, that at the present time other countries hold in those West Indian Islands an advantage of trade over Canada, that in all probability a twenty per cent preference to Canada will not overcome. As a matter of fact, in order to actually get into the trade of the West Indies, we need a very much more drastic treaty than we have, under the administration of my hon. friend, been able to get. In my humble opinion, the reason we have not been able to do better was because it was a question rather of fear on the part of the people of the West Indies, that, having in some way lost their market in the United States, they were in danger of losing their market in Canada. That was why they were willing to enter into the agreement; and therefore they were doing so in a strictly defensive attitude, rather than with the idea of trying to do the best they could for themselves, and with Canada trying to do the best she could for herself. I have taken the liberty of criticising the treaty of my hon. friend from the point of view as I understood it. When I first saw the critics of the treaty point out that under it foodstuffs coming into Canada would come in actually under an increased rate of duty, and that there was a possibility under the treaty of increasing the rate of duty on the large majority of products going into the West Indies, I must say I thought it was a joke. But now I find that if it was a joke, it was a joke on the part of my hon. friend and his colleagues. The treaty is very disappointing to the people of Canada who are looking for a reduction in the cost of those articles that we get from the West Indies.

Mr. FOSTER: I must try to disabuse my hon. friend of the idea he has in his head that this matter was brought to the West Indies along a line of compulsion. Certainly no compulsion was exercised by Canada in any way, shape, or form. For fifteen years we have been giving in Canada thirty-three or thirty per cent preference to their goods coming into this country, and we had made no intimation that that would be taken away from them. It was a British preference which had been gradually extended to other British countries, until at the present time it embraces very much the larger part of the British world. I cannot tell all the motives which were present in the minds of West Indian people in making this agreement; but I am quite sure that good will and good feeling was the primary thought and the primary feeling in the minds of the delegates who came here representing their different dominions. They felt that they must do the very best they could in the way of preference in return for the preference which had been, as they say, generously given to them by Canada. There was no compulsion in the matter. I believe it sprang from real good will, good feeling and an idea that if we could keep a permanent connection between us in that way, it would be very much to the benefit of the West Indian Islands as well as to the benefit of Canada. The subject must be looked at in both ways. My hon. friend makes a great deal of the increased cost to articles of consumption by Canada because of this agreement. There are two sides to the agreement; there is not only a benefit that Canada may derive because under such an arrangement she gets articles of food or of use in at a lower rate of duty; but there is another benefit, in the opening it gives,

and the opportunity it gives for the products of the toilers of our country to find their market in the other country. Up to the present time for fifteen years there was no compensation possible so far as tariffs were concerned in that respect. The West Indies now give us one-fifth preference over foreign nations. Does my hon. friend think that is a very small thing? It is not looked on as a very small thing in the West Indian Islands, and it is not in itself a small thing. It will be absolutely Canada's own fault if under that preference she does not get the markets of the islands which are parties to the agreement.

Mr. MACLEAN (Halifax): In what particular might I ask the hon. gentleman will it be the fault of Canada if she does not extend her trade? I wish to point this out to my hon. friend that perhaps in answering my question, he might answer this one. Nearly all the articles mentioned in schedule A are articles which are sold direct to the West Indies by British exporters, who have the same tariff concessions there as we would have; they have this further advantage that their shipping facilities are very much better than those existing between Canada and the West Indies. If Canada fails to extend her trade to any great extent in the West Indies, it will be rather due to the severe competition she will have with the British exporters who enter the market on the same terms as she does.

Mr. FOSTER: If my hon. friend has looked over the trade returns, as I have no doubt he has, he will see that the great competitor of Canada in the West Indian Islands is the United States. The competition takes place between their products and our products. It goes without saying that, if there is a fair preference of one-fifth, and I think that is a fair preference, it will be the fault of Canadian producers themselves if they do not in that competition make good their case in the West Indian Islands. So much for that side of the benefit. My hon. friend from Edmonton (Mr. Oliver) seemed to think this was increasing the price of articles of consumption in Canada. From what does my hon. friend draw that idea of his? If you look at schedule C, you will find three articles: cocoa beans, lime-juice and limes.

Mr. PUGSLEY: Are they free at present?

Mr. FOSTER: Cocoa beans are free; limes are free; and lime-juice in the raw and concentrated form is free.

Mr. PUGSLEY: They are all made dutiable under this arrangement?

Mr. FOSTER: They are all made dutiable under this arrangement. On nothing else is there any larger duty than at present exists. Count what it amounts to. There are three articles; to what extent will they raise the cost of living to the people of Canada?

Mr. PUGSLEY: Cocoa is very largely used.

Mr. FOSTER: Cocoa is largely used; but it is a cheap article, and the amount of duty put on it, seventy-five cents per hundred pounds, is very small. You are face to face with people with whom you are trying to make a fair and generous arrangement. You come to some of the islands whose chief products are in these articles; and if these islands do not get some preference on these products they get practically no preference at all.

Mr. MACLEAN (Halifax): The hon. gentleman is hardly correct in that statement. The island to which he refers is Trinidad, which island is the greatest producer of cocoa in the West Indies. But, according to the returns furnished the House by the hon. gentleman, the exports of sugar from that island alone amount to $1,592,309 last year, and I think that that is in excess of the total export of cocoa. So that the hon. gentleman's statement is hardly correct.

Mr. FOSTER: The cocoa business in Trinidad is the largest individual business Trinidad has.

Mr. SINCLAIR: What are the total imports of cocoa into Canada?

Mr. FOSTER: Between 3,000,000 and 4,000,000 pounds.

Mr. SINCLAIR: Valued at how much?

Mr. FOSTER: I have not the figures at hand at the moment, but I will give the hon. gentleman the information in Committee. Take the case of Trinidad and two other colonies, and unless we gave them some preference on the staple article of cocoa, it was very problematical whether they would have come into the arrangement. As hon. members will see if they read over the negotiations, Trinidad had positive instructions not to sign the agreement unless they could get some fair preference on this large staple of their produce. Sugar produced in Trinidad goes largely to England. The sugar industry in that colony is carried on by people in a large way of business, of whom there are comparatively few, while the cocoa industry is a more extended farmers' industry and takes in a far larger class of people. Consequently, that interest is a large and important interest in Trinidad. So, if you take limes, lime-juice and cocoa-beans, these are the only articles in which there has been any increase in the duty, and the duty is very light in respect to these.

Mr. MACDONALD: As to the articles in schedule C, are we to understand that the rates of duty when imported from other countries are to be as provided in that schedule, but coming from these islands they are to be free?

Mr. FOSTER: They are now free in Canada. But under this Bill they will come in under preference, and the duty was put on foreign importations for the purpose of giving a preference on these goods from these islands.

Mr. MACDONALD: I notice that schedule C says: 'Duty when imported from any foreign country into Canada.' But they come in free from the islands?

Mr. FOSTER: Under schedule C there is to be duty on cocoa-beans of seventy-five cents per one hundred pounds on foreign imports. But they come in free from these islands. That makes the preference.

Mr. DEVLIN: I speak as representing a large farming community. I find under schedule A, if our farmers wish to sell hay, horses, cheese or butter to the West Indies, the West Indies allow a preferential tariff of thirty-three and one-third per cent. Then, under schedule B, if a Canadian farmer wishes to buy copra cocoanut oil, turtle shell, tamarinds, pea-nuts and kola nuts, bay-leaves, or papine, he will get them at a reduction of thirty per cent, is that right?

Mr. FOSTER: The man who buys turtle shell, pea-nuts and so on will get them as he gets them now, free.

Mr. DEVLIN: But if he wishes to buy lime-juice, or limes or cocoa which is greatly consumed in Canada, he will have to pay a duty where formerly he got them free.

Mr. FOSTER: He will get them free if he gets them from these islands. My hon. friend can put pea-nuts and lime-juice together and make a nice concoction for his farmers.

Mr. PUGSLEY: The hon. minister made some reference to the negotiations preceding this treaty. Who negotiated on behalf of Canada?

Mr. FOSTER: The hon. the Minister of Trade and Commerce (Mr. Foster), the hon. the Minister of Finance (Mr. White), and the hon. the Minister of Customs (Mr. Reid)—three worthy gentlemen.

Mr. PUGSLEY: As things go—yes. Were these negotiations carried on publicly or in secret?

Mr. FOSTER: In secret so far as was possible with some fifteen gentlemen in the room. Then, the minutes were taken and set down as a record, and a report was given out by the chairman after each session—a summary of what had taken place. And all the negotiations, as a matter of record, and what resulted therefrom, have been printed and are in the possession of hon. members.

At six o'clock, House resumed, and then took recess.

After Recess.

House resumed at eight o'clock, and again went into Committee.

On section 3—Duties on goods in schedule B.

Mr. MACLEAN (Halifax): I would like to ask the minister a question in connection with clause 3, because the query was put to me by a business man of Halifax quite recently. If West India sugar, entered under the present tariff, was warehoused at Halifax and taken out of warehouse after the new tariff came in force, what duty would it pay?

Mr. FOSTER: Do you mean raw sugar?

Mr. MACLEAN: Yes.

Mr. FOSTER: It would pay exactly the same as it pays now.

Mr. MACDONALD: Before recess the hon. member for Assiniboia (Mr. Turriff) was discussing the effect of sub-section (b), which fixes the rate of duty to be paid in future by relation to the British preferential tariff. I notice that this sub-section provides for a variation in the tariff by the use of the words: 'and in any amendment thereof,' and the effect of the last words: 'whichever shall be the lower rate' may be taken as applying to the whole of the two preceding sub-sections or to the last part of sub-section (b). It is open to two constructions.

Mr. FOSTER: That was the Act of 1907, and it was amended in 1908. The two together make the Act of 1907 and the amendment.

Mr. MACDONALD: Are those words used in contemplation of some amendment to the British preferential tariff to be made in the future? I understood the minister to say to the member for Assiniboia that the Government did not contemplate any reduction of the British preference. I would like to know what the effect of that would be in case there was an increase.

Mr. FOSTER: The tariff that would hold would be whatever the tariff was after amendment. It would be the tariff and any amendment thereto.

Mr. MACDONALD: I think the hon. minister ought to be able to tell us whether

the possible attitude of the Government in regard to British preference—whether there would be an increase or decrease or a permanency—was discussed at the conference. What assurance did the minister give the representatives of the West Indies as to the policy of his Government in this regard ?

Mr. FOSTER : The question did not necessarily arise; the representatives of the West Indies guarded themselves by the four-fifths clause.

Mr. MACDONALD: The four-fifths clause would not be much good if you went on increasing or decreasing the British preference.

Mr. FOSTER : If we went on increasing it, section (b) would give them the British preference if that were lower than four-fifths of the foreign duty.

Mr. MACDONALD : If the preference we give to England should become less than it is now, the extent of advantage to the West Indies would also become less, would it not ?

Mr. FOSTER : To whatever extent the British preference varied from four-fifths of the duty on the imports of any foreign country.

Mr. MACDONALD : Then sub-section (b) is put in as a check to sub-section (a) in case the Government should make up their minds to deal with the British preference, one way or the other ?

Mr. FOSTER : No. This is to give them a chance for a better rate.

Mr. MACDONALD: Did the representatives of the Government discuss with the West India representatives what their policy would be with reference to the British preference?

Mr. FOSTER: That was not germane to the discussion, and it did not come up. What the delegates of the West Indies were assured and what, I think, they expected was that to whatever extent the British preference was greater than four-fifths, they would have the advantage of it, although they could not claim it under the agreement.

Mr. PUGSLEY: This section may perhaps afford an opportunity of considering for a few moments the question of the British preference, because the continuance of the preference of 33⅓ per cent as against the 20 per cent for which this agreement provides is contingent upon the British preference continuing at 33⅓ per cent. I had inferred, from statements reported in the newspapers to have been made by the ministers who visited Great Britain during the past year, that the giving on the part of Great Britain of a quid pro quo for the British preference granted by Canada was essential to the continuance of this preference. Certain Unionist statesmen in England have taken the ground that Canada has made sacrifices in the past in extending the preference to Great Britain and cannot, according to their opinion, be expected to continue that preference unless Great Britain should impose a tax upon foodstuffs, so as to give to Canada, and other dominions granting the preference, an equal degree of benefit in return. It is evident that some British statesmen have the impression that the British preference is merely of a temporary character, and will not last unless Great Britain gives in return a preference on foodstuffs from Canada.

Mr. FOSTER: I think the hon. gentleman is quite as capable of following the British press as I am. Whatever may have been said in the newspapers of Great Britain or any other country is not germane to this discussion. It seems to me this is not the proper time to discuss the British preference; the matter before us now is this agreement between Canada and the West Indies. My hon. friend will not draw me to-night into the discussion of this broader question, but if the time comes when the Government brings before the House a tariff revision measure, and the hon. gentleman is then as eager for information as he is to-night, I have no doubt he will be satisfied.

Mr. PUGSLEY: Does it not seem to my hon. friend——

Mr. FOSTER: It does not.

Mr. PUGSLEY: The hon. minister should not anticipate my remarks. Does it not seem that this is germane to the question under discussion ?

Mr. FOSTER: I think not. What we want to do is to get through with this Bill.

Mr. PUGSLEY: So do we, but we should not be forced to rush through the consideration of a Bill of such importance as this.

Mr. FOSTER: We do not want it rushed.

Mr. PUGSLEY: The hon. minister found fault with his colleague the Minister of Finance because he went out of his way this afternoon to discuss what he thought was important in regard to the reciprocity question. The hon. Minister of Trade and Commerce did not like that, and he rebuked the Minister of Finance almost immediately upon his resuming his seat. He said there was a Bill before the House, and he wanted hon. members to apply themselves to that Bill. I thought it was rather unkind of my hon. friend, as an experienced member of this House, to rebuke his younger colleague, the Minister of Finance, who would hardly be supposed to look at the matter from the narrow standpoint from which my hon. friend desires that this Bill be discussed.

Mr. FOSTER : I am sure the Minister of Finance is very thankful for the sympathy of my hon. friend.

Mr. PUGSLEY : The Minister of Finance must have felt very badly about it, as he has not since returned to the House. The reason I consider this subject to be germane to the present discussion is this: paragraph (b) says that the duty on goods from the West Indies shall remain at the several rates of duty, if any, set opposite to each tariff item respectively in the column, 'British preferential tariff' in schedule A to the Customs Tariff, 1907, and in any amendment thereof, whichever shall be the lower rate. Now it seems to me that in the discussion of this question we have a right to know whether, during the next few years, we are to give to the West Indies a preference of 33⅓ per cent or of 20 per cent; and it is important for us to know whether my hon. friend the Minister of Trade and Commerce shares in the views, which are reported to have been expressed in England by Canadian ministers during the past summer, that England could not expect to have the preference given by Canada continued unless she gave a preference in return. That was the inference left in the minds of the British people, that the continuance of the British preference would depend on Great Britain granting preferential trade to Canada in return for the preference which is granted to the Mother Country. Now we, on this side of the House, do not believe in that idea at all. We do not believe there should be any bargaining with the Mother Country. We think that the right thing for Canada to do was exactly what she did when the British preference was voluntarily conceded to the Mother Country; and we think that those statesmen, whether they be Canadian or British statesmen, who go about seeking to induce the people to believe that it is imperative in the interests of the Empire that the British public should have their breadstuffs taxed for the benefit of the overseas dominions, are doing a vast injury to the Empire. I think we ought to know from my hon. friend the Minister of Trade and Commerce whether it is intended to continue the British preference, and whether these duties on goods from the West Indies will be based on a preference of 33⅓ per cent or on a preference of only 20 per cent. We have a right to know that in considering the benefits which are to be conferred by this arrangement upon our brethren in the West Indies, as well as upon the people of Canada. We are interested, of course, in having the duties upon West Indian goods as low as possible for two reasons. The first is that it means reducing the cost to the people of Canada of those West Indian products which they consume. That is of enormous importance. It is of enormous importance to our people to understand at this time when they are paying into the revenues of this country by way of taxes from $35,000,000 to $40,000,000 more than is required to carry on the services of the country, whether there is to be a substantial reduction of taxation upon the foodstuffs which they obtain from the West Indies. On the other hand it is important with reference to our exports to the West Indies, because the larger our imports, the greater necessarily will be our exports, because to carry on a profitable trade you must have traffic both ways; the vessels which bring goods from the West Indies must go back to the West Indies with Canadian products in order to carry on a profitable business and to enlarge the trade between the two countries. Therefore, does not my hon. friend the Minister of Trade and Commerce think he ought to inform the House——

Mr. FOSTER: What about?

Mr. PUGSLEY: As to whether or not the preference voluntarily given to Great Britain by Canada against the protests of my hon. friends opposite is to be discontinued if Britain does not give us a preference in return, or whether it is to be continued so that we may confidently hope that while we are getting our products into the West Indies at a reduction of 20 per cent we will be able to get our goods from the West Indies at a preference of 33⅓ per cent.

Mr. FOSTER: My hon. friend looks at me as if he expected an answer.

Mr. PUGSLEY: Clearly.

Mr. FOSTER: If anything in the wide world could draw an answer from me, it would be the mellifluous persuasion of my hon. friend so attractively exercised. I feel inwardly, if the proprieties were not to be too much outraged, that I ought to give him the information he asked for in such seductive tones. My hon. friend has been a member of a Government. What does he mean by putting these questions to me? He says he wants to know as an importer of goods from the West Indies whether he is always going to get them at the same rate as at present. He wants to know if the British preference is going to stand, or if the schedule is going to be changed. Does not he see that if I answered these questions I would be giving him in advance information with reference to our tariff? What purpose has my hon. friend in putting these questions? Is there some trading concern behind him anxious to get a tip during the next two or three years in regard to certain tariff schedules, whom he might be able to advise? I trust

that that is not his motive. It would be most improper for me to answer his question. If a tariff Bill was before the House, then he could put his question. Why chase all these unreal shadows? If my hon. friend will put before me any speech that I made, I shall try to justify it. But when he asks me to take up his time, my own time, and the time of the House in order to say what I think about certain airy statements that might have been made or might not have been made, he must see that he is asking me and the House to do something that is very wasteful of their time, besides being unbusinesslike.

Mr. PUGSLEY: My hon. friend the Minister of Trade and Commerce is making use of his great abilities to throw dust in our eyes. For a great many years I have followed at a long distance my hon. friend along intellectual lines. I have been trying to learn from him, and I have learned enough to know when he is really speaking right out from the heart, and when he is making use of his great ability in handling words to convey a meaning perhaps different from that which in other circumstances he would convey. Does my hon. friend think it is wrong for us to ask him as the Nestor of his Government, as one who ought to be and who, I think, is, one of the most influential, if not the most influencial member of his Government in trade matters, and who stands head and shoulders above any other man of this Government in ability, political knowledge and experience—and I say that without any disparagement to other members of the Government——

Mr. HENDERSON: I think that will surely bring an answer.

Mr. PUGSLEY: I have great respect for my hon. friend from Halton.

Mr. MACDONALD: He is not saying much about preference now, although he used to say a lot about it.

Mr. PUGSLEY: Yes, and I have also in my eye the hon. member for Peel (Mr. Blain). I am surprised at the way in which his thirst for knowledge has been completely extinguished since this Government came into office. His terrible horror at newspapers friendly to the Government getting advertisements, his horror that patronage committees should recommend appointments and all that sort of thing—these have all passed away, and my hon. friend appears as a different character altogether. But he is not singular in that respect, for we find the change in many other hon. gentlemen opposite.

Mr. BLAIN: My hon. friend could take a little of that to himself.

Mr. FOSTER (N. Toronto).

Mr. PUGSLEY: Would my hon. friend elaborate that a little bit?

Some hon. MEMBERS: Carried.

Mr. PUGSLEY: I apologise to my hon. friend the Minister of Trade and Commerce for allowing myself to be diverted from the subject.

Mr. FOSTER: It is very amusing; go on.

Mr. PUGSLEY: As I have said before, this Bill provides in paragraph 3 that the preference to be given to the West Indies is to be thirty-three and one-third per cent, so long as the British preference lasts, but that then it is to be immediately changed to twenty per cent. Surely, Mr. Chairman, in the discussion of an important matter like this, this House has the right to know whether the Government is in favour of doing away with the British preference unless the British Government give Canada a preference in return. My hon. friend says that I am trying to get information about tariffs and that this House has no right to any information upon the tariff until His Royal Highness the Governor General submits some recommendation upon the subject. Let me say to my hon. friend that that rule does not seem to have prevailed in the Department of Public Works recently; because we find that, on the occasion of a by-election in the province of Nova Scotia, not very long ago, there went out from the Department of Public Works, in anticipation of the Estimates to be laid before the House, a statement of the amount which had been placed in the Estimates for this year, and not only what had been placed in the main estimates, but what had been placed in the Supplementary Estimates for next year. I am prepared to admit, Mr. Chairman, that this is something which has been unheard of in connection with the Government of this country in the past. This Government seems to have adopted a different rule. I think this Government have come to the conclusion that they ought to give information to the public in advance of what His Royal Highness the Governor General might recommend to the House. I will give my hon. friend another example. In the past it has always been deemed proper that any communication between the home Government and His Royal Highness the Governor General should be submitted to Parliament before that information was submitted to the people of the country, yet we know that only two or three weeks ago there came a dispatch from the Colonial Secretary to His Royal Highness and that, before that dispatch was submitted to Parliament, it was published broadcast in the Conservative newspapers. I take it that this Government have adopted, and

in some way have induced His Royal Highness to adopt, a different rule from that which has hitherto prevailed, and in view of these precedents I do not think that my hon. friend would deem it improper that he should take the opportunity of telling this House as to whether it was intended to adhere to the British preference. It is important that we should know in order to determine whether we are to give to the West Indies a preference of 20 per cent or one of 33⅓ per cent. Surely, my hon. friend ought to tell us whether the 33⅓ per cent is to be only temporary, whether it is proposed to do away with it unless the British Government give us a preference in return, or whether it is intended to continue that policy under which Canada has prospered so greatly during the past fifteen or sixteen years. Does my hon. friend think that it is unreasonable that that information should be given to the House?

Mr. FOSTER: According to my hon. friend's argument just now, I should regard it as improper.

Mr. PUGSLEY: Then the Government of my hon. friend intends to revoke that example which has been set on the two recent occasions to which I have referred?

Mr. FOSTER: My right hon. friend scarcely gets himself out of it in that way. I was watching very carefully the tenor of his remarks. To what purport did he introduce these two examples—that he approved of them or that he disapproved of them? My reading of his argument would be that he entirely disapproved of that sort of thing and yet he has been trying for half an hour to get me to do the very thing that he disapproves in others. Surely my right hon. friend does not want to lead me into temptation in that way!

Mr. PUGSLEY: May I ask my hon. friend why he persists in calling me his right hon. friend? I hope before long to see an addition to the hon. gentleman's title, and nothing would rejoice me more than to see him honoured by being made a K.C.M.G., or something of the kind.

Mr. FOSTER: My hon. friend must give me credit for having as good an opinion of himself as he has of myself.

Mr. PUGSLEY: My hon. friend's foresight may be longer than mine, or perhaps he realizes that the handwriting is upon the wall and that there may be a change of conditions before very long.

Mr. FOSTER: Yes, it has not all been rubbed off yet.

Mr. PUGSLEY: Well, if it gets nearly rubbed off it does not take long to rub the remainder off. I said to my hon. friend that there are these two examples and that I entirely disapprove of them.

Mr. FOSTER: Then do not lead me into the same sort of thing.

Mr. PUGSLEY: But the majority of the members of this House do not take advice from me. The Government has set the example in these two cases. The Government, one would suppose, has determined if this is the proper course to pursue, that information should be given to the House in advance of His Royal Highness submitting a recommendation for the consideration of the House. If my hon. friend agrees with these precedents which have been mentioned—and I assume that he does because otherwise he would rebuke his colleagues for having taken the course that they have taken—surely my hon. friend can advance no reason for not giving us information as to whether the British preference is likely to be maintained or whether it is to be wiped out unless Great Britain gives us taxation upon foodstuffs, which recent events in England show is not likely to take place in the near future, or whether we are to go back to a preference of simply 20 per cent.

Mr. FOSTER: Carried.

Mr. PUGSLEY: Will my hon. friend answer my question?

Mr. FOSTER: I am afraid I must be excused.

The CHAIRMAN: Shall this clause be adopted?

Mr. PUGSLEY: Not while I am waiting for an answer from my hon. friend.

Some hon. MEMBERS: Carried, carried.

Mr. PUGSLEY: My hon. friend is silent—all right.

Mr. MACDONALD: I must say that I am at a loss to understand the attitude of the hon. gentleman whom we must call hereafter the master of the Administration in regard to certain lines of policy. Before dinner he assured me, when I ventured to say a word or two to him asking for some information which I regarded as being of the most important character in order that we might intelligently consider this Bill, that after dinner he would give us this information. Then the minister said to my hon. friend from Assiniboia (Mr. Turriff) that there was to be no lowering of the British preference. I heard him say so distinctly. My hon. friend gave us the assurance that he would deal with this question and he not only gave us that assurance but he went on to deal with it and declared that the policy of this Gov-

ernment was not to lower the British preference. But the hon. gentleman displayed an unusual amount of caution after dinner. I do not know what could have occurred in the meantime. There is no necessity for him to adopt such unusual reticence. His frankness has usually been one of his qualifications and why he should become so exceedingly reticent when he is submitting to the House for approval the first of what he would like to be a succession of arrangements with the different colonies of the Empire is something I cannot understand. If he wants to carry out a trade policy by which Canada will make arrangements, not merely with the West Indies but with Australia, where, I understand, he is going very shortly, why should he draw himself within his shell and say: I am not going to say anything at all, I am not touching this British preference and I do not dare to mention a word about it, although his whole arrangement is based on this British preference idea. It is impossible to understand the reticence which he is now displaying.

Mr. PUGSLEY: He is afraid that it will be cabled to Bonar Law.

Mr. MACDONALD: I do not see why the hon. gentleman (Mr. Foster) should not tell this House whether he and Bonar Law had a discussion over this question.

Mr. FOSTER: Over the West Indian question?

Mr. MACDONALD: My hon. friend certainly discussed the West Indian question with Bonar Law; there is no doubt about that.

Mr. FOSTER: There is no doubt about that?

Mr. MACDONALD: I assume that the hon. gentleman assents to that?

Mr. FOSTER: My hon. friend says that there is no doubt about that.

Mr. MACDONALD: Does my hon. friend assent to that?

Mr. FOSTER: I am making no assent.

Mr. MACDONALD: My hon. friend is getting to be so superlatively cautious that I do not know why he should expect to secure any legislation from this House. We all remember the vociferous demands that the hon. gentleman used to make on previous occasions for information that was required before any proposition involving the fiscal relations of this country should be considered by the House. But my hon. friend has so changed that he has become but a strange semblance of his former self. When the responsibility of government is put upon him he absolutely declines to even discuss the very basis of the proposition that he is submitting to the House. My hon. friend cannot get away from this question by any theory of state secrets. The hon. minister asks us to embody this trade agreement with the West Indies in an Act of Parliament, and the rates of duty specified in the Bill which he submits are dependent upon what the British preference is to-day and what it is going to be during the continuance of this arrangement, and when we ask him what he and his colleagues have to say about it, he tells us that it is some horrid state secret about which nothing can be said. We have the assurance of the hon. gentleman that there is to be no lowering of the British preference by this Government; and being so cautious about everything else, I am surprised that he should have been so incautious as to make such an admission. He tells us he can say nothing about the tariff policy of the Government until it is brought down to this House after a tariff commission has been appointed and has reported. Are we to understand that there is to be nothing done about the tariff or about the British preference until a tariff commission has enquired into and dealt with the matter, and that in view of the fact that there is no attempt by the Government so far to ask Parliament to institute such a commission. Then, the hon. gentleman declines to tell us whether he consulted with prominent men in England, as to this scheme of preferential trade that he has inaugurated with the West Indies, and that he proposes to establish with Australia and I presume with New Zealand. This agreement with the West Indies in effect, leaving out all unnecessary verbiage, says:

3. There shall be levied, collected and paid, after the said agreement is in accordance with its terms brought into operation and so long as it remains in force, on all goods enumerated in schedule B.

(a) At the rate of four-fifths of the several rates of duty, if any, imposed on similar goods when imported from any foreign country.

If it were left at that, there would not be so much difficulty; but there is this alternative proposition which has to be carefully considered before anyone can conclude what the agreement really is:

(b) or, at the several rates of duty, if any, set opposite to each tariff item respectively in the column 'British Preferential Tariff' in schedule A to the Customs Tariff, 1907, and in any amendment thereof.

In order to ascertain what the proposition is, you have to consider both these sub- clauses, and in addition to that there is the third proposition.

Whichever shall be the lower rate.

So that under subsection (b) of the agreement what the British preference may be, what it is now, what it was at the date of the agreement, what it is going to be next year, what it is likely to be at any time during the currency of this agreement, is at the very basis of this whole proposition. When my hon. friend from St. John was discussing this matter, the Minister of Trade and Commerce endeavoured to escape responsibility by jocularity.

Mr. PUGSLEY: Which was very unfair.

Mr. MACDONALD: When I find two old associates like these gentlemen exchanging compliments across the floor, it must be understood that those of us who are not within the sacred circle are not to be affected in the slightest degree by these pleasantries. Here is a business proposition the basis of which is what this preferential tariff is now, and is going to be, and when we ask the Minister of Trade and Commerce for information, he simply says he cannot tell us, or that he will not tell us. I might remind the hon. gentleman that when he sat in Opposition, he never allowed the Government to put any kind of proposition through this House without knowing what the full meaning and effect of it was. He tells us there is to be no lowering of the British preference, and apparently there is to be no discussion of the tariff permitted in this House until a tariff commission has been appointed and has reported. It will be a great disappointment to many people in this country if tariff legislation is to be postponed until that late period. The Prime Minister has evidently committed to the hon. member the task of dealing with the question of preferential trade, and the hon. gentleman has no doubt in his mind a well thought out line of action for not only the West Indies but for other colonies and for the Mother Country as well. Why should he not frankly tell us what that policy is now that he is initiating it in this treaty? We should be told now whether the Government purposes not merely to lower the British preference, but whether, so long as they are permitted to remain in office, and this agreement continues, they intend to maintain the British preference as it is. Those of us who were here last Parliament remember how the hon. member for Halton (Mr. Henderson) was accustomed to declare that the British preference was not in the interest of a large portion of the people of Canada. Where does that hon. gentleman stand now upon this question of preference? Where does the Minister of Finance stand upon it? Is it to be the permanent policy of this country, while the agreement remains in force, or is it to be diminished or increased? I can hardly believe that my hon. friend, when negotiating with these West Indian gentlemen, never ran up against this question or that these men, who based their whole tariff, as well as this agreement, on what that British preference was to be, never obtained some assurance from this Government as to what its policy was. If any assurance was given, my hon. friend should give it to this House and to the country.

Mr. FOSTER: I do not wish to be discourteous to my hon. friend; so I will have to take a little of the time of the House to explain it to him, in order that he may see clearly what has been explained already two or three times. My hon. friend has made some assertions which go far beyond any assertions which I made; he has added something to my assertions in the way that irresponsible commentators do. I do not recollect making a hard and fast statement that there was to be no interference with British preference; what I meant to say and what I believe I did say, was that there was no present intention of lowering British preference. I did not say, until a commission had been appointed, made its investigation and its report, and the Government had considered it, that there would be no rearrangement of the tariff. I do not remember having used the words 'Tariff Commission' at all.

Mr. MACDONALD: You certainly did.

Mr. FOSTER: What I stated was this, as has been stated in this House before on several occasions in connection with this Bill, that there are some tariff adjustments that have to be made, therefore we will have a tariff Bill before this House in order to make those adjustments, and until the Act which deals generally with the tariff and not with this special agreement is brought down, my contention was, and I think it is perfectly fair, and I intend to stand by it, that the questions at present put before me are not germane.

Mr. MACDONALD: Does my hon. friend mean that when the tariff Bill for this session comes down, it will provide further changes than are contemplated in this Act, and that then the statement can be made which he cannot give us now?

Mr. FOSTER: I think my hon. friend understands thoroughly what I stated to my hon. friend from St. John (Mr. Pugsley), that at that time it would be proper for the questions to be put and answered.

Mr. MACDONALD: Why can you not do it now?

Mr. FOSTER: My hon. friend is also a little at fault in another assertion he makes regarding dependence on British preference. I do not think he is right in that

idea. If my hon. friend looks over the agreement made between the Canadian delegates and the delegates from the West Indies, he will see that the proposition in sub-section (b) does not come into that agreement at all. The agreement made between the West Indian Islands and Canada was for a ten-year period continuance of a certain preference, which was four-fifths of the duty falling upon goods coming from any foreign country. That was all in so far as preference is concerned, and relates to what is included in the agreement between Canada and the West Indies. What is in sub-section (b) is simply what we have put in by way of good will, by way of grace, if you wish to put it that way; we had no idea of depriving them of the British preference in so far as it had heretofore applied and might hereafter apply to the goods coming in from the West Indian Islands, we say so and there in a section of the Bill, for which there is no compulsion at all, and for which there is no claim in the agreement itself. My hon. friend says: how can we tell what is to be the preference that the West Indian Islands get unless you tell us more about this British preference? Let my hon. friend look at sub-section (a). Why does he not make the same claim there? There is a four-fifths duty, defined in exactly the same way that the definition is made in sub-section (b), defined in the only way in which it can be defined.

Mr. MACDONALD: Except that if you lower the preference—

Mr. FOSTER: If you are going to take the standards of duty as they exist for British and foreign countries, in may have varying rates of duty. A change may take place a year from now or two years from now, but four-fifths will be the proportion of that rate, whatever the changes are; this is the only way you can fix it, unless you go to work and fix your foreign tariffs as well as your British preferential tariff for every year of the succeeding ten years, and then put in definite figures; that is the only way you can do it except by this way. Why does not my hon. friend say: we want to know what you are going to put on goods coming from foreign countries in the next ten years; are you going to change those duties or keep them the same as they are at present? One demand is just as strong as the other, and neither of them can be admitted. I think my hon. friend sees that quite well. All this discussion that has been going on between my hon. friends and myself may be very excellent fooling, or it may be very foolish fooling; but when you come right down to common sense I think both my hon. friends see that they have been asking what they have a perfect right to ask, but which I do not think is germane to this at all. If we were putting through at this time a tariff measure which affected Great Britain herself, then with reference to the preferential tariff these questions would be germane. We are not doing so; that question is not raised in this at all, in any way, shape or form. Sub-section (b) is simply put in by way of good will to the other part which fixed the duty as regards foreign duties; both of them are indefinite in amount, but clear and fixed in proportion. Take the tariff as it exists to-day and you can define it in definite terms. As to how it may stand five years from now, you have got to wait to see what that tariff is before you can define the preference in sub-section (a) or sub-section (b) in actual figures.

Mr. PUGSLEY: It seems to me that my hon. friend has given an absolutely good reason why he should answer the questions.

Mr. FOSTER: I am afraid by trying to give information I am getting into further trouble.

Mr. PUGSLEY: My hon. friend has said, if this was an agreement affecting our trade with Great Britain, then he would be obliged to give the information as to the policy of the Government regarding British preference. When you bear in mind that this country does not necessarily give to the West Indies the preference which is given to Great Britain, that we can give a preference to Great Britain if we like, without giving it to the British West Indies, then surely, when we are making an agreement with the West Indies and when we propose to give to them a preference of thirty-three and a third per cent, it is just as proper that the Minister of Trade and Commerce should give us information with regard to the continuance of that preference or as to the policy of the Government with regard to the continuance of that preference, as if this was a treaty direct with the Mother Country. My hon. friend must see this.

Mr. FOSTER: I do not see it.

Mr. PUGSLEY: Does my hon. friend take it that we are bound to give this preference of thirty-three and a third per cent to the West Indies because we give it to Great Britain? That is not the case. We can give it to Great Britain without giving it to a single one of the British colonies. This Parliament gave it to the colonies, because it was thought advisable to do so. Here is an agreement where there was no agreement before; it is an agreement to which the West Indies and Canada are parties. Under that agreement the West Indies give to Canada a preference of twenty per cent and twenty per cent only; but by that same agreement we not only give to the West Indies a preference of twenty per cent, but my hon. friend, as he

has informed this House stated to the commissioners of the West Indies that so long as the British preference lasts, they will have a preference in our country not of twenty per cent, which is the preference which they give to us, but of thirty-three and a third per cent. Surely, that being so, we have a right to know what is the policy of the Government in regard to the British preference. Is it intended to discontinue it unless Great Britain gives us a preference in return? Is it intended to increase it? Is it intended to lower it? Surely the Government must have some policy on the question. It is not a new question; it has been discussed both on this side and on the other side of the Atlantic; it has been discussed at gatherings in the Mother Country at which Ministers of the Crown were present and took an active part and one likely to affect public opinion in the Mother Country. It is a question on which this Government should have a policy, and they ought to be able to state what that policy is. My hon. friend admits that if this were a ratification of an agreement between Great Britain and Canada it would be his duty to tell the House what is the Government's policy with regard to the British preference. When we bear in mind that the preference to the West Indies does not follow the British preference but rests with the discretion of this Parliament, what applies to one case applies to the other. I do think my hon. friend upon reflection, will see that he is not taking the course which will best advance his Bill, if he merely draws himself into his shell and tells us he will give us no information. As suggested by an hon. friend near me, he seems to emulate one of his younger colleagues, the Minister of Railways (Mr. Cochrane) whose delight seems to be to keep from this House information to which members are entitled. We wish to assist in this legislation, and I think the hon. Minister of Trade and Commerce would act more wisely in giving us the information for which we reasonably ask.

Mr. FOSTER: I almost fail in the hope of convincing my hon. friend, for I am afraid he does not want to be convinced. Why does he not ask me what our policy is with regard to imports from France or Germany, basing that question on the arguments he has just used? Why not say: You have an arrangement with the West Indies which you propose to enact into law, providing that their goods shall pay only four-fifths of the duty paid by goods coming from Germany. What is your policy with regard to goods coming in from Germany—what will it be next year or the year after? Surely, the hon. gentleman will see the illogical position in which he places himself. Any information germane to this arrangement between us and the West Indies that can be given I am glad to give, but we are not legislating now with reference to France, Germany or Great Britain, and consequently the discussion is not germane.

Mr. PUGSLEY: The hon. gentleman has asked me a question. We are not, he says, legislating with regard to goods coming from France. Germany or any other country with which we have a preferential arrangement. But we are legislating as to goods coming in from Great Britain. Does the hon. gentleman pretend to say that our treaty with France places the goods from the West Indies affected by this treaty in the same position with regard to our preference to France as our preference to Great Britain places goods from the West Indies in comparison with goods imported from Great Britain? If so, how is the Minister of Customs going to fix the four-fifths of duty to be paid? I think the hon. gentleman ought to enlighten us upon that. Are we to have a variable scale of duty? Is the four-fifths to be estimated on the duty of similar goods from France, or on the duty on similar goods from the United States?

Mr. FOSTER: My hon. friend surely can read the clause: it is as plain as can be.

Mr. PUGSLEY: Let me read it, then. I will read it to the Minister of Justice (Mr. Doherty), and I should like to get his interpretation of it. The Minister of Trade and Commerce has just suggested what strikes me as a difficulty which this section does not get over, and which, it seems to me, must be overcome, if he is to have any certainty with regard to the duty. Let me read this to the Minister of Justice who can understand things a good deal better than most people:

It is agreed between the Government of the Dominion and the governments of the above-mentioned colonies severally that:

1. On all goods enumerated in schedule A, being the produce or manufacture of Canada, imported into any of the above-mentioned colonies, the duties of customs shall not at any time be more than four-fifths of the duties imposed in the colony on similar goods when imported from any foreign country.

That relates to goods imported into the colony. Now we come to goods imported into Canada.

2. On all goods enumerated in schedule B, being the produce or manufacture of any of the above-mentioned colonies, imported into the Dominion of Canada, the duties of customs shall not at any time be more than four-fifths of the duties imposed on similar goods when imported from any foreign country.

Now, the Minister of Trade and Commerce tells me that this treaty affects our relations with France as to the goods coming in under preference. Suppose, for the

sake of the argument, that we import molasses both from France and from the United States. We have no treaty with the United States, but we have a treaty with France. Now we are asked to ratify a treaty with the West Indies fixing duties at four-fifths. Do goods coming from the West Indies pay four-fifths of the duty on similar goods coming from the United States, with which we have no treaty, or four-fifths of the duty on similar goods coming from France with which we have a treaty? Would the Minister of Justice give us an opinion on the question?

Mr. DOHERTY: I have to confess that my powers to or ability to 'understand things better than most people' does not enable me to understand the hon. member's misunderstanding of that provision.

Mr. PUGSLEY: The Minister of Justice has given a clear and easily understood opinion. If, in the opinions which he gave before he left the bar, he took equal pains to elucidate the points on which his opinion was asked, I can well imagine the large fees he must have received for his advice. Is that not worthy of consideration? In reading the clause at first I was of the opinion that the four-fifths duty would be four-fifths of the highest duty which would be paid on goods coming from any country in the world with which we had no arrangement.

Mr. FOSTER: Where did you get the idea of highest?

Mr. PUGSLEY: If you did not view it from that standpoint, you would make the duty absolutely uncertain.

Mr. FOSTER: Would not you make it equally uncertain if it was the highest?

Mr. PUGSLEY: No.

Mr. FOSTER: There is only one highest and one lowest.

Mr. MACLEAN (Halifax): There is an intermediate.

Mr. PUGSLEY: Take the case of the United States; I presume goods coming from the United States pay the highest duty exacted by the Customs Department of Canada from those of any country in the world.

Mr. FOSTER: Not at all.

Mr. PUGSLEY: Why not?

Mr. FOSTER: We would have a tariff for each country.

Mr. PUGSLEY: We have an intermediate tariff applying to France, and an ordinary tariff applying to the United States, and those countries with which we have no treaty. Now, is this four-fifths——

Mr. PUGSLEY.

Mr. FOSTER: My hon. friend should not get away from the question. He made a very strong assertion a moment ago, to the effect that goods coming from the United States paid higher duties than those coming from any other country.

Mr. PUGSLEY: They do pay a higher duty than those coming from some other countries.

Mr. FOSTER: They will not pay higher than those that are not under the most favoured nation or preference treatment.

Mr. PUGSLEY: Then they are among the highest; they belong to the highest class.

Mr. FOSTER: They are among them. Yes.

Mr. PUGSLEY: Is the four-fifths to be four-fifths of the duty on goods from those countries with respect to which there is the highest tariff?

Mr. FOSTER: Does it say so?

Mr. PUGSLEY: I asked my hon. friend the question.

Mr. FOSTER: The hon. gentleman can read English.

Mr. PUGSLEY: Which is it?

Mr. FOSTER: It is plain and simple enough. Goods coming from the West Indies, under that clause, pay four-fifths of the duty imposed on similar goods imported from any foreign country.

Mr. MACDONALD: What about the several rates?

Mr. FOSTER: If there are several rates, they get the lowest.

Mr. MACDONALD. The statute says several rates; there should be some clearer definity.

Mr. PUGSLEY: My hon. friend forgets that by this clause he has fixed a tariff with the West Indies at four-fifths of the tariff that is imposed on goods coming from any other country. Now we will take a certain article. The duty on that article —say a ton—coming from the United States, is $100. If goods coming from the West Indies pay four-fifths of that, it will be four-fifths of $100—$80. Similar goods coming from France will pay on the ton, say $80, and four-fifths of that amount would be $64. Are goods of similar character coming from the West Indies to pay $80, or $64? The hon. minister says that our treaty with France is in some way concerned with this——

Mr. FOSTER: I did not say our treaty with France was concerned with this; I said nothing about our treaty with France.

Mr. PUGSLEY: Did not my hon. friend say we might just as well ask him to tell us whether the tariff of France is to be continued as it is, as to ask him if the tariff with the Mother Country is to remain as it is? Did he not say the treaty with France was just as applicable to this as the arrangement with Great Britain?

Mr. FOSTER: I referred to the duties on goods coming from all countries.

Mr. PUGSLEY: Does the clause mean that the four-fifths which is to be paid is four-fifths of the duty paid on goods coming from those countries in regard to which there is the highest tariff?

Mr. FOSTER: My hon. friend has been told that over and over again. I told him in plain English not more than five minutes ago, that the duty imposed was four-fifths of that imposed on goods coming from any foreign country.

Mr. PUGSLEY : Then would it be four-fifths of the duty imposed on similar goods coming from France ?

Mr. FOSTER : Certainly, if that were lower than the duty on the goods coming from the United States.

Mr. PUGSLEY : I understand my hon. friend to say that as we have a preferential arrangement with France under which goods come in at a lower rate than from other countries with which we have no such arrangement, similar goods coming from the United States are to pay four-fifths of the duty upon similar goods from France. But is that the meaning of this Bill ? It does not say so; the matter is left in absolute uncertainty notwithstanding the efforts of my hon. friend the Minister of Justice to give an opinion upon it.

Mr. EDWARDS : Sub-section (a) says:

> At the rate of four-fifths of the several rates of duty, if any, imposed on similar goods when imported from any foreign country.

Would not the West Indies have the right to ask that the four-fifths apply to the lowest rate of duty from any of these foreign countries ? Supposing a customs officer says to an importer: that four-fifths is four-fifths of the highest. But, the importer says, there is a country where it is lower, and I think I am right in asking that it should be four-fifths of that lower rate. I ask my hon. friend if that is not a reasonable deduction to make, and if the West Indies would not have the right to make that deduction ? It seems to me that this is implied in the last words of sub-section (b): 'whichever shall be the lower rate.' My hon. friend will say that refers to sub-section (b), but I say there is only one conclusion to be drawn from those words, taken together with the words 'any foreign country'—that it must be a four-fifths of the lowest rate of duty from any of those countries not coming under the preferential tariff.

Mr. MACDONALD : The point raised by the hon. member for St. John is one which has not been made clear by the explanation of my hon. friend (Mr. Edwards); the matter should be expressed in the Bill in more concise language. I would like to call the attention of the minister and the committee to a statement the minister made a short time ago, to the effect that if this Bill was one dealing with preferential trade with England, there would be no reason why he should not discuss the policy of the Government in that regard. There is no question as to the fact that this is a Bill which deals with the preferential trade with England in the most direct and positive way, and that there is a clause here under which the Government have power, by the mere publication in the Canada Gazette of an Order in Council dealing with this proposition, to materially affect our trade with England. In paragraph 7 of the Bill it is stated:

> The advantages or concessions granted by this Act to the colonies parties to the said agreement shall extend to the United Kingdom and such of the other British colonies and possessions as may be admitted thereto by proclamation published in the Canada Gazette so long as the colonies parties to the said agreement continue to be entitled to such advantages or concessions.

What does that clause mean? I do not propose to discuss it in detail at this stage, for we will have to come to it later. But that clause clearly indicates what the Government may take power, by publication in the Canada Gazette of an order dealing with the question, to in some way affect the present preference so far as the Mother Country is concerned. Now we come back to the proposition which I made earlier in the evening in regard to this matter. I apprehend the position of my hon. friend the Minister of Trade and Commerce to be this: He is ambitious to carry into effect trade agreements with the Mother Country perchance, and certainly with the colonies. We shall assume that for the moment his ambition in regard to the Mother Country is quiescent, though I am not sure that he was not very active when in England, or that he did not confer with the men proposing the policy as to what the colonies are to say and do when the Mother Country comes to provide for the preferential idea. I think my hon. friend the Minister of Trade and Commerce was not very far away when some such idea was talked over among those who occupy the seats of the mighty in the Old Land. But under this Bill my hon. friend the

Minister of Trade and Commerce takes powers which would enable him to make an arrangement with Australia and New Zealand without coming to Parliament at all. If he goes out to Australia he could make an arrangement under the provisions of this Bill, and include a schedule, which he would publish in the Canada Gazette embodying an arrangement with that country, and he need not come to Parliament at all. What is my hon. friend's policy in regard to England? He takes the power in this Bill to change the preference in some way, although I am bound to say that I cannot see very clearly what it is. Having drawn the attention of the Committee to the presence of this clause in the Bill, surely my hon. friend the Minister of Trade and Commerce cannot refuse to tell us what he means.

Mr. FOSTER: I think we may take the Bill through regularly. We are now at section 3, and when we come to section 7, I shall be very glad to give any information to my hon. friend. But we are in Committee, and we must take the Bill section by section.

Mr. MACDONALD: There is no desire on my part to obstruct the minister in any way. We are dealing with a very big proposition which is one of the hon. minister's peculiar subjects. If my hon. friend the Minister of Trade and Commerce is not going to tell us what his policy is, to whom shall we go? Who among his colleagues is going to give us the slightest glimmer of light upon it? I would not expect my hon. friend the Minister of Customs to give us any enlightenment on the question of preferential trade. My hon. friend the Minister of Trade and Commerce knows that I would be disappointed if I depended upon his colleague in the Customs Department. I cannot go to the Minister of Railways whose penchant for not saying anything and for declining information respecting his own department is recognized not only in the House but in the country. To whom are we to look for information except to my hon. friend the Minister of Trade and Commerce? He knows that this whole question is his own peculiar child. Section 3 of the Bill, notwithstanding anything he may say, contains the kernel or the basis of the arrangement which he made. It contains the check or minimum which he and the delegates from the West Indies placed upon the tariff that was to be imposed under this Bill. My hon. friend knows that the question raised by my hon. friend from St. John is a question of verbiage which will have to be discussed by itself, and which I think calls for some amendment in order to make it clear. But sub-section (d) of section 7 is a limitation which my

hon. friend the minister and the men from the West Indies have introduced, a criterion of what the minimum duty shall be. My hon. friend the Minister of Trade and Commerce will not tell us what the policy of the Government is to be in regard to British preference. He tells us that if we were dealing with a measure in some way affecting our relations with the United Kingdom, he would inform us, but I call his attention to a section in the Bill under which the Government takes power to grant a British preference, if they see fit, without coming to Parliament. I submit that he ought to be frank and tell us what his policy is in dealing with the other colonies, whether he made any arrangement when in England with regard to the future, and, generally, where he stands on the whole question of preferential trade.

Mr. DEVLIN: I feel very keenly upon the subject of the high cost of living in this country. I had occasion the other day to ask the Government what steps they were taking to lessen the high cost of living. I find that one of the steps taken by the Government is indicated in this very section 3 and I wish to call the attention of my hon. friend the Minister of Trade and Commerce to the point. I think it must have escaped his attention, and when he reconsiders section 3 perhaps he will not press this arrangement. The people of Canada will not stand for anything that will tend to increase the cost of food and drink in this country.

Some hon. MEMBERS: Especially drink.

Mr. DEVLIN: The hon. Minister of Trade and Commerce told us before six o'clock, if I remember his words, that we imported about 3,000,000 pounds of cocoa into this country per annum. Since then I have had occasion to look up the Trade and Commerce reports, and I find that of that article we import from the British West Indies 679,819 pounds. At all events we imported that amount last year. Now by this arrangement the hon. the Minister of Trade and Commerce is going to force Canada to bring from the British West Indies the cocoa that has hitherto come into this country free. I do not think that this arrangement will change in one iota the trade channels. What then will be the result of the act of the hon. minister? I simply take the one item, a very important item, cocoa. We will be allowed to bring into this country under this arrangement 679,819 pounds, but under the tariff prepared by the late Government we brought into this country all cocoa free of duty, independent of the country from which it was imported. According to the hon. minister, 3,000,000 pounds of cocoa were consumed by the people of this

country free of duty. What does the Government intend to do? It intends to allow the people of Canada to bring in 679,000 pounds free of duty from the West Indies but upon 2,320,181 pounds, upon which the people of Canada previously paid nothing at all, they will now have to pay a duty of 75 cents per 100 pounds. Does the Minister of Trade and Commerce think that that will lessen the high cost of living? I content myself with calling the attention of the minister to this most important item, and as a representative of the people interested in the labour element in this country, and as one who sees the advantage of articles coming into Canada free of duty, I ask why it is that he is making this arrangement and taxing the food of the people of Canada?

Mr. FOSTER: I will not forget my hon. friend's question.

Mr. MACLEAN (Halifax): I would like to say, in connection with the matter raised by my hon. friend from St. John with respect to the exact meaning of clause 3, that it strikes me that the objection must be considered by the minister. In answer to a question by my hon. friend from St. John, the hon. Minister of Trade and Commerce informed us that this four-fifths preferential rate would be four-fifths of the general or intermediate rate whichever should be the lower. That was never my construction of this agreement and I do not think it was the intention of the parties to the agreement that it should be so construed. I do not think that was the idea of the negotiators at all at any stage in the proceedings leading up to the agreement. The hon. gentleman will remember that, in the first instance, the British preference was a flat reduction of 25 per cent. Later it was increased to 33⅓ per cent. In the tariff revision of 1907 there was another change made in the application of the tariff under the preferential rate. Therefore, I say that I do not think that clause 3 of the agreement bears the construction that the minister thinks it does. I do not believe that that was the intention of the parties to the agreement and I think he should allow this clause to stand and give it further consideration. I notice in paragraph 99 of the report of the Royal Commission, which will be found on page 24, this statement:

> There was a general agreement that the rates of duty in the preferential tariff should be 20 per cent less than those in the general tariff.

That is the statement contained in the written report of the Royal Commission upon whose report this agreement was made. I think the minister will find upon reflection that it was clearly never intended under this agreement that that four-fifths should be four-fifths of the intermediate tariff, or the preferential rate, whichever was the lower. Again, I would like to draw the attention of the minister to the word 'direct' in line 6 of clause 3 of the Bill, which reads thus:

> When such goods are imported direct from any British country into Canada, &c.

The word 'direct' is not used in the clause of the agreement which establishes the four-fifth rate. There is another clause in the agreement and there is another clause in the Bill which gives the Governor in Council power to proclaim that the four-fifths preference shall only apply when there is a shipment direct from one country to another. I think there might be a little danger in leaving that word 'direct' there and I suggest that the minister might take it into consideration.

Mr. PUGSLEY: I think that the point taken by my hon. friend from Halifax (Mr Maclean) is important because, if you take the agreement, you see that the words are as follows:

> On all goods enumerated in schedule 'B' being the produce or manufacture of any of the above-mentioned colonies imported into the Dominion.

It does not say imported 'direct' into the Dominion; therefore, these goods might be brought into the United States, placed in a warehouse there and then sent by merchants in the United States to various parts of Canada and come in under this preferential clause.

Mr. FOSTER: No.

Mr. PUGSLEY: My hon. friend shakes his head at that but it is true nevertheless. For some reason the hon. gentleman, I presume, or his technical officers, has sought to get over that in section 3 of the Bill which, in that respect, makes a variation of the treaty. If my hon. friend had embodied the same words in the treaty, which his legal adviser had put into this Bill, it would have been all right, but in the treaty it is provided by section 2 that:

> On all goods enumerated in schedule 'B,' being the produce or manufacture of any of the above-mentioned colonies imported into the Dominion of Canada, the duties of customs shall not at any time be more than four-fifths of the duties imposed on similar goods when imported from any foreign country.

There is an express provision by which these goods from the West Indies may be imported into the United States, kept there in warehouses and then sent into Canada at a rate of duty four-fifths lower than that charged on similar goods imported from

foreign countries, as provided for in the treaty. It is true that in the Bill the word 'direct' is inserted, because it says that:

There shall be levied, collected and paid, after the said agreement is in accordance with its terms brought into operation, and so long as it remains in force, on all goods enumerated in schedule 'B' to the said agreement being the produce or manufacture of any of the colonies, parties thereto, when such goods are imported direct from any British country into Canada.

Those words 'direct from any British country into Canada' are not in the treaty at all. Would the hon. gentleman explain how the word 'direct' came to be left out of the treaty and is now in the Bill?

Mr. FOSTER: I think the difficulty that my hon. friend sees is not at all a real one.

Mr. PUGSLEY: Why not?

Mr. FOSTER: The Bill, as in section 3, is this:

When such goods are imported direct from any British country into Canada or taken out of warehouse for consumption therein, if imported as aforesaid, duties of customs——

Shall be so and so. This clause in the Bill is simply necessary to meet the requirements of the customs law and administration. You can send goods from the West Indies via New York or Boston, but they must go through in bond. If they break bulk in any way they are liable to duty when they come to our frontier. The word 'direct' does not mean that these goods come from a British country direct by ship into a port of Canada but it means that they shall not break bulk. The clause was arranged by the commissioner of customs and the law clerk to meet the necessities of the case and that is what it does do.

Mr. PUGSLEY: It is not meeting the treaty but it is altering the treaty.

Mr. FOSTER: It is not altering the treaty.

Mr. PUGSLEY: Why not? The law clerk has evidently seen the difficulty in the treaty and has tried to meet it and make it right, but can this Parliament change the treaty?

Under the words of the treaty the goods might be kept in the United States for ten years, but so long as they are the produce of the West Indian Islands they are entitled to come into Canada on payment of four-fifths of the duty, and the law clerk sought to change the agreement by requiring these goods to come direct from the West Indies or from a British country, and he inserted in the Bill the word 'direct,' which is not in the treaty. The West Indian delegates evidently insisted on that clause being drawn as it appears in the treaty, and not until it comes to the law clerk and the commissioner of customs is it seen that it would operate injuriously to Canada. These gentlemen sought to correct the error by inserting in the Bill the important word 'direct' which does not appear in the treaty. I submit, Sir, that this Parliament has no right to alter the agreement. If the British West Indian delegates stipulated that these goods could be warehoused in the United States and kept there, and distributed by the wholesale men there to the retailers in Canada, as the agreement provides, I suppose they would not consent to te change.

Mr. FOSTER: There was no intention, no thought, no agreement, that the West Indies should have warehouses in the United States keep and sell goods for years in these warehouses and then send them in driblets into Canada.

Mr. PUGSLEY: I did not say that. I said that under this treaty wholesale merchants of the United States could import West Indian goods, warehouse them in the United States, sell them to the retail merchants of Canada, and these goods would be entitled to come into Canada on payment of four-fifths of the ordinary duty.

Mr. FOSTER: You could not do that under the customs laws of any country.

Mr. PUGSLEY: But this is a treaty and the terms of the treaty ought to be carried out.

Mr. FOSTER: Section 2 of the agreement refers to goods imported into the Dominion and they can only be imported into the Dominion under our customs laws, which regulate imports.

Mr. PUGSLEY: Apart from what the customs laws may be, there is not a word in this agreement itself to say that the goods are to be imported to Canada direct from the West Indies. If it be shown that these goods are the manufacture or the product of the British West Indies, then the collector of customs has to admit them under the preferential tariff provided, no matter how long they may have been warehoused in the United States.

Mr. FOSTER: Is the hon. gentleman serious in that proposition?

Mr. PUGSLEY: I never was more serious in my life. I leave it to any business man or lawyer in the House if I am not correct.

Mr. FOSTER: It surpasses my understanding that the hon. gentleman can keep a solemn countenance when advancing such a theory.

Mr. PUGSLEY: Then why did the Law Clerk put in the word 'direct' thus changing the terms of clause 3 of the agreement?

Mr. FOSTER: The Law Clerk and the Commissioner of Customs, when this clause was being framed, had for their purpose the putting into effect of the agreement which agreement was that articles from the West Indian colonies, when imported into the Dominion, should bear a certain duty. These goods could only be imported into the Dominion under our customs laws. The contention of my hon. friend is the most absurd I have ever heard. Under his contention you could have all countries of the world bringing their goods into certain other countries, warehousing them there, distributing them amongst merchants, and when they went into another country, claiming that the same customs rates should be applied as though they were the products of a country which had a preferential rate, even though they were imported into the other country ten or twenty years before. Surely the hon. gentleman does not think that the delegates from the West Indian colonies ever contemplated any such thing.

Mr. PUGSLEY: My hon. friend's argument goes to show the absurdity of making the agreement contained in clause 2. I am not responsible for what the commissioners did. It may be that they had in their minds to do certain things, but they have not done them. When the commissioner of customs comes to consider the meaning of this agreement, he is not to interpret it by what the Minister of Trade and Commerce may have said, or what the Minister of Customs or some other ministers may have said; he is to interpret the agreement as it stands. The words in the agreement are:

On all goods enumerated in schedule B to the said agreement being the produce or manufacture of any of the above-mentioned colonies imported into the Dominion of Canada, the duty or customs shall not, &c.

The law clerk has followed those words:

On all goods enumerated in schedule B to the said agreement being the produce or manufacture of any of the colonies parties thereto.

But he does not stop there; he says:

When such goods are imported direct from any British country into Canada.

These words have been left out of the treaty. The Law Clerk and the Commissioner of Customs have undoubtedly seen that if those words are not put in the Bill, in order to change the terms of the treaty, then the effect would be that United States merchants could import goods into their own country, keep them in warehouses for one month, six months, one year or two years; then send them into Canada to retail merchants throughout the country, and upon those goods under the terms of the treaty they would only be liable to pay four-fifths of the ordinary duty. That is what the Law Clerk and the Commissioner of Customs have sought to remedy; but they cannot do that.

Mr. FOSTER. Goods could not be sold out in parcels.

Mr. PUGSLEY. Why not?

Mr. FOSTER. In bond?

Mr PUGSLEY. Sold out in parcels; any quantity can be released.

Mr. FOSTER. If you are shipping in bond from the West Indian Islands to Canada, you cannot break up the shipment.

Mr. PUGSLEY. I think so.

Mr. FOSTER. Not at all. They go through under seal.

Mr. PUGSLEY. Very well. Supposing it were necessary to keep them in bond, they could keep them in bond for a year or more, and then send them to Canada. Is that importing direct to Canada? That is what the Bill says. I think that means by a continuous journey to Canada. I want to call the attention of my hon. friend to this fact that the Law Clerk and the Commissioner of Customs have sought to remedy a defect which is contained in the treaty. It is no use my hon. friend saying what he understood or what someone else understood with reference to it; it is absolutely clear under that agreement. I will leave it to any lawyer on either side of the House, and I am sure that their opinion will be to the effect that such goods sent from the United States to Canada will be entitled to come in under the definition, upon payment of four-fifths of the duty. Can you alter the treaty by the Bill?

Mr. FOSTER: The agreement is not altered by the Bill.

Mr. PUGSLEY: If it is not altered, then why not make the words read exactly as in the treaty? Why not say just as the treaty says:

Being the produce or manufacture of any of the colonies parties thereto.

And leave out the words:

When such goods are imported direct from any British country into Canada.

If those words are not needed, why put them in, if you say the treaty is to the same effect? My hon. friend knows very well that those words are put in in order to remove a defect which is contained in the treaty; he must know that as a gentleman of ordinary intelligence; he must know, if you leave the treaty as it is, that it does not provide that these goods from the West Indies must be imported direct to Canada. That is the object of changing the words of the treaty. Can this Parliament do that? I submit it cannot. If my

hon. friend says this treaty makes the provision he intended it to make, then let the treaty speak for itself; do not let us after having made a solemn agreement with the West Indies, try to alter that agreement but let us pass it just as it was signed, sealed and delivered by the various parties thereto. Then let the Minister of Customs under the advice of the Minister of Justice decide what the treaty means; but do not let us by statute seek to alter the terms of the treaty.

Mr. EMMERSON: It seems to me it is a well-recognized principle of international law that the terms of treaties are paramount over mere matters of internal enactments. A good method, and perhaps the only method of testing this question, which has been raised, would be to admit for the sake of argument that this Bill had been enacted into law as it stands, that some individual from the West Indies, or I care not where, some American citizen, had procured from any one of these countries certain produce or articles, brought them into the United States under bond and kept them there for any period of time, and then sought to bring them into Canada free of duty, the question would be when he came to the border, is he entitled to the provisions of the treaty as such, or would he be confronted with the terms of this Bill itself? The phraseology of the Bill is one thing; the phraseology of the treaty is another. I am sure it would be recognized that the treaty was paramount and must prevail, as a matter of right, as a matter of international right. We have already, as I understand it, approved of section 2 of this Bill, and we have said what the law is in respect to the point in question. We have said, so far as this country at this moment can say so, that:

> On all goods enumerated in schedule B to the said agreement being the produce or manufacture of any of the colonies parties thereto, when such goods are imported direct from any British country into Canada or taken out of warehouse for consumption therein if imported as aforesaid, duties of customs—
>
> (a) at the rate of four-fifths of the several rates of duties, if any, imposed on similar goods when imported by any foreign country.

We propose to enact this section as drafted by the Law Clerk, which entirely changes the paragraph which I have just read; it puts an entirely new meaning upon it. The question for this Committee to consider is: was it arranged between the delegates from the West Indian Islands and the representatives of the Government of Canada

Mr. PUGSLEY.

> That there shall be levied, collected and paid, after the said agreement is in accordance with its terms brought into operation, and so long as it remains in force, on all goods enumerated in schedule B to the said agreement being the produce or manufacture of any of the colonies parties thereto, when such goods are imported direct from any British country into Canada.

Was that a part of your agreement? It does not appear in the agreement which we approve in the schedule of this Act. Yet it must be apparent to anyone that what will prevail with regard to the importation of such articles after the enactment of this law must be the terms of the law itself. It may not have been so intended. If it was intended that the goods should be shipped direct from that country to this it should be so stated in the treaty itself. I submit there can be no other interpretation given to it and that the interpretation sought to be given by the law clerk or by whomsoever drafted this Bill is not in accord with the agreement entered into by the delegates.

Hon. J. D. REID (Minister of Customs): For my part, I do not see how there can be danger of misunderstanding of the two clauses mentioned. The whole trouble seems to be that, under clause 2 of the agreement, the hon. gentleman says, goods may be shipped from the West Indies, put in bond in the United States and afterwards, in a few months or years, brought into Canada; and that they would have to be entered at the rate for West Indian goods. I think the hon. member understands that, according to the Customs law, when goods are shipped from the West Indies to Canada they may go through the United States, and when unloaded from the vessel they may be put in cars and shipped through to Canada. A manifest is made out and they do not go through the books of the customs in the United States except to manifest them. But if they are placed in bond in the United States, they are put in the warehouse and a customs entry is made out, just as if duty were to be paid. If, afterwards, they are shipped from the United States to Canada, they have to pay the duty not only on the value of the goods as coming from the country of origin, but also on the United States duty.

Mr. MACDONALD: Goods in bond—to pay two duties?

Mr. REID: Let me give a case in point. Suppose goods were bought in England by an American and entered in bond in New York. If those goods were afterwards brought into Canada and sold here, the owner would pay the duty on the English price plus the duty in the United States, because the very placing of them in bond makes them, so far as the customs are

concerned, American goods. They are placed in bond because the owner wishes to pay duty on them only as they are sold. If they are merely shipped through the United States in bond, they come through on a manifest.

Mr. PUGSLEY: It seems to me that my hon. friend is only explaining the practice. But that does not affect the treaty. It appears that this Bill has been prepared by the Commissioner of Customs——

Mr. REID: I was going to explain the other part of it.

Mr. PUGSLEY: But will the hon. gentleman allow me to ask an explanation of the insertion in the Bill of these qualifying words with regard to direct shipment when these words are not in the treaty?

Mr. REID: I have not consulted the Law Clerk but I would explain it this way: This states that when the goods come from the West Indies the duty shall be four-fifths the duty on similar goods imported from a foreign country. This is for the purpose of determining what the rate of duty shall be.

Mr. PUGSLEY: My hon. friend has not understood my question. He is aware that under Section 2 of the treaty it is provided that on all goods enumerated in schedule B, being the produce or manufacture of any of the above-mentioned colonies, imported into the Dominion of Canada, the duties of customs shall not at any time be more than four-fifths of the duties imposed on similar goods when imported from any foreign country. Now, why has the Commissioner of his department chosen to change that clause of the treaty and add the qualifying expression: 'When such goods are imported direct from any British country into Canada or taken out of warehouse for consumption therein if imported as aforesaid.' Bear in mind, these words of qualification are not contained in the treaty, though they are inserted designedly, with a view to making qualification that is not in the treaty. What I ask you is this: Why has the Commissioner of Customs thought it necessary to add these words of qualification to the words that have been agreed upon between the contracting parties which are contained in clause 2 of the Tax Treaty?

Mr. MACDONALD: I have read the treaty in connection with this matter, and I cannot find in it anything about the limitation of the British preference. The first part of section 3 provides:

> There shall be levied, collected and paid, after the said agreement is in accordance with its terms brought into operation, and so long as it remains in force, on all goods enumerated in schedule B to the said agreement being the produce or manufacture of any of the colonies parties thereto——

I would ask either of the two ministers who have been interested in the negotiation of this agreement whether in any clause of the treaty there is anything that provides for that being in the Bill?

Mr. REID: For what being in the Bill?

Mr. MACDONALD: Anything about the limitation of the duty to be paid in connection with the British preference.

Mr. REID: I am not referring to the British preference at all.

Mr. MACDONALD: I am raising this point in addition to the one submitted by the hon. member for St. John, who has shown something in the Bill which is not in the treaty. I cannot find in the treaty anything regarding this provision for limitation in respect of the British preference.

Mr. REID: In what clause?

Mr. MACDONALD: Clause 3, the one we are now discussing. I am asking the two ministers if they can show me what clause of the treaty provides for the inclusion of any such section relating to the British preference.

Mr. LEMIEUX: In order to show that every commercial treaty is binding, let us remember the occasion of the French treaty, which had to come back to the House because it happened that the Minister of Customs had given to the French authorities blue-books which did not contain the name of one of the countries receiving the benefits on some of the articles of the most favoured nation clause.

Mr. GUTHRIE: Just one word pertaining to the discussion of the point raised by the hon. member for St. John, to the effect that the words 'when such goods are imported from any British country into Canada,' do not appear in clause 2 of the agreement itself, but do appear in clause 3 of the Act under discussion. Last summer I saw in a New York paper a statement to the effect that it was probable that New York merchants could take advantage of the terms of the proposed agreement. The article contained the further allegation that trade agents, either of some government or some large trading house, had visited the various legislatures of the West Indies with a view of defeating the Bills which were proposed for the purpose of carrying out the agreement. A good deal of interest was manifested by the papers in New York at that time, and I remember that statement in particular, I think it must have been some time in July or August. I do know, however, that in the Barbadoes the question came up for discus-

sion on the 16th of August, 1912, and this very point raised by the hon. member for St. John was brought up. In the official report of the proceedings in the Legislature of the Barbadoes on the 16th of August, I find the following:

The PRESIDENT said there was a long discussion in the other branch of the legislature as to the construction to be put upon the words 'when imported direct from any British country.' 'Imported direct' would seem to imply that these goods must not pass through any foreign country on their way to their destination. There was some difference of opinion as to the meaning of the words. If the words meant that the goods of Canada must come direct to Barbadoes then that was not the intention of the legislature or the present wish of Canada. If hon. members looked at section 4 they would find that it read:

On and after any date to be named by the legislature and published in a proclamation in the Official Gazette the British preferential tariff shall apply only to goods brought into this colony by ship direct without transhipment from the country of production or by way of any other British country.' He thought the word 'direct' was a very unfortunate word to use.

Hon. J. O. WRIGHT: Section 4 says the articles must come direct.

The PRESIDENT continued: Section 4 said that was to be so at some time in the future, when there were steamships and proper arrangements to meet these requirements. There was no intention on the part of the Government of Canada, nor was it the intention of the Government of this colony to prohibit at once the importation in bond through New York of goods from Canada. The Canadian minister said in effect that a change of the present system could not be brought about until proper steamship communication between Canada and the West Indies had been provided, and it was therefore understood as being absolutely necessary to the trade of the two countries that Canadian flour and other produce and manufactures of that country should pass through the United States as heretofore in bond, and be shipped to the colonies from New York. There was a long discussion at the conference on this point, and the Canadian representatives said in terms that they hoped the time would come when there would be such a linking up of the West Indies and Canada through the development of the Canadian ports and the establishment of subsidized steamship lines that there would be no need for any through trade via the United States. It was hoped that at some time in the future the benefits to be derived by both sides under the agreement would be restricted to direct shipments from Canada to the West Indies, and vice versa. But it was practically admitted that the time had not come yet, and it would be some time before it came, when all shipments could be made direct. It would greatly interfere with the Canadian trade if the shipments of that country's produce and manufactures through New York were stopped, and Canada would not like to be placed in that position, because the Canadians were not ready to make all shipments direct from their ports. There was a great deal of discussion as to what should be done with the Canadian goods, to prevent, say, American flour from coming down here and perhaps getting the benefit of the preferential duty. When he went to New York he visited the business house of Messrs. Strauss & Company and there he had the whole thing explained to him. There was no need for warehouses to store flour coming from Canada via New York. He was told that the goods were all taken to the Central railway depot in cars sealed by the customs authorities where they were kept for a very short time before shipment. So that now really the trade between Canada and Barbadoes and Demerara was for the most part done by way of New York, and neither the Canadian Government nor these colonies for the time being desired to have that altered. He thought it would be beneficial to have it made absolutely clear in section 2 (a) that the words 'imported direct from any British country' should cover the transmission of Canadian goods as at present via New York.

After a conversational discussion the council resumed with leave to the committee to sit again, and the further consideration of the Bill was postponed in order to afford an opportunity to consider the point.

It appears to me that if the words 'when such goods are imported from any British country into Canada' have any meaning at all, they should be struck out if the Act is to conform with the treaty. If they have no meaning, I do not see any very great objection to them if they merely permit importations through the United States. The word 'direct' is certainly a most embarrassing one, and I would think a customs official, in interpreting a section with such words in it, would at once say that the importations was not a direct one. We have, then, the discussion which took place on that very point in the Legislature of the Barbadoes, as well as the president's recollection of the discussion which took place at Ottawa. It seems to have been the opinion of all parties that direct importation was one thing, and importation from the United States another, and that direct importation would be the best method of dealing as between the two countries, and in the meantime, until steamship lines have been established, that the shipments should be made via New York as before. The words in question—and particularly the word 'direct'—are the most important in the section, and if the minister wants to have his Bill conform with the agreement I would suggest that the words be deleted, or that it be made clear in some other way that these words shall not in any way alter, limit or restrict clause 2 of the agreement.

Mr. FOSTER: When I was listening to my hon. friend reading that, the idea I got was in regard to direct shipment by vessel, a shipment which leaves the West Indies and goes direct to Canadian territory

without passing through any foreign territory. That was the question, and a discussion arose because of that clause, which might be availed of, in order that when shipping facilities became well established there should be no more shipping in bond through a foreign country, but that the shipments should come direct. That was what gave rise, I imagine, to the discussion; that is the meaning I take from the report read by my hon. friend. Doubt was expressed whether or not, the word 'direct' being there, they would have, when they did not get proper communication by vessel direct to Canadian ports, what they always have had, the privilege of shipping in bond through New York, say, and of paying the Canadian duty upon their goods. I think the discussion went on to show that the word 'direct' was not meant to confine goods to shipment by vessels which came directly, we shall say from the Barbadoes to St. John or to Montreal, but that it had a different meaning from that, that until the two parties were agreed that the shipping facilities were sufficiently well established to allow of the policy of direct water shipments being adopted, that is to say without passing through foreign territory, the facilities of direct shipment through New York, Boston or any other American port in bond, which had obtained for many years previous, should be still be open to them. That was the only point discussed by the delegates in conference. That was undoubtedly the meaning, and in that sense, that was all that was meant by the word 'direct,' namely, that the goods should get from the West Indian colonies into Canada as imports of the West Indian colonies, and vice versa, in order to be eligible for the preference. Now, they are eligible for that preference when they go in bond through New York, we shall say, either from Canada to the West Indies or from the West Indies to Canada, that is when they go in bond through New York and are not broken in bulk, when they are sealed, go through under supervision.

Mr. GUTHRIE: I have only a partial report here, but did the Barbadoes legislature in their final consideration retain the words, when imported direct from any British country?

Mr. FOSTER: I have not seen the latter part of the discussion.

Mr. GUTHRIE: This is dated 10th August, and it says that matter was postponed for further consideration.

Mr. FOSTER: I think from reading that, that what they were discussing then was not whether their goods could go through United States territory or not.

Mr. PARDEE: Then do the words expressed in clause 2 of the agreement carry out what was intended by the agreement at the conference.

Mr. FOSTER: Yes, with this addition. My contention is that the legislation we are discussing does not vary the import of the agreement. Those goods imported into Canada would be eligible to a certain preference reduction in the duty. To be imported into Canada they had to go either direct, meaning not passing through foreign territory, or if they did pass through foreign territory they had to go direct by shipment under bond. That was all that was contemplated, and that is all that is made necessary by this legislation.

Mr. PARDEE : It may be the import of the agreement, but I think the hon. minister will admit that it is not the letter of the agreement.

Mr. FOSTER: I think it is not different in effect.

Mr. PARDEE : If that is so then, is it necessary from any standpoint, say from the legal standpoint, to add the words 'imported direct' at all ? If I understand my hon. friend the Minister of Trade and Commerce, his argument is that the agreement and clause 3 of this Act with those words interjected, mean one and the same thing. Then why change them at all so as to make clause 3 of the Act not conform exactly to clause 2 of the agreement?

Mr. FOSTER : They mean exactly the same thing.

Mr. PARDEE : Then was the agreement of the other colonies that were parties to this agreement the same, and will their legislation, or the import of their legislation, be the same as that which is before this Parliament ?

Mr. FOSTER : I cannot say literally whether the Acts which they have passed are exactly in that verbiage or not. But let me give again my view of the case. Those delegates who sat together were not framing Customs Acts. They were sitting down together as a number of business men, and were making an arrangement, one with another. They knew the previous course of trade, and they knew the course of trade which in certain contingencies might be taken. The course of trade had been and is to-day that the exporter from the colony can send his goods into Canada by two different routes, by water to Halifax or to St. John or to Montreal, in which case they do not pass through a foreign country, or by shipping via New York, bonding them through, and having them come to the Canadian Customs house, paying exactly the same duty. That was the importation which the business men,

sitting around the table, agreed should be between them. When you come to the enactment of an Act and get a lawyer or a Customs officer on it, he understands all about these things. He says it may prevent any discussion and any trouble if we put the word 'direct' in, that no importations can come in at the same rate of duty unless they come direct through bond. The moment you put them into a New York warehouse, you make them liable to the United States duty. So long as they are kept in that bonded warehouse and kept sealed in bulk the duty imposed under the Customs regulations of the United States remains unpaid, but the moment they are broken in bulk and distributed, the importer has to pay the United States duty on those articles. When those articles, being dispersed, come to the Canadian border, they are taxed as goods coming from the United States, and the cost of them, if it is traced through, is added to by the amount of duty that has been paid into the United States treasury. There is no difficulty either in the colonies, that are parties to this agreement, or in Canada itself. It is simply legislation in the line pursued for years. Did any person from the West Indies suppose that a privilege was to be given to the West Indies exporter on goods to Canada which was not at the time, and had not been for previous years, been his? The West Indian exporter could not therefore send his goods to New York, put them into a New York warehouse, distribute them, send them into Canada and avoid the duty.

Mr. PUGSLEY: Because there was no treaty.

Mr. FOSTER: There is no treaty now, it is an agreement.

Mr. PUGSLEY: The statute says they must come direct.

Mr. FOSTER: I must be allowed to get through with my argument, which I think is a perfectly fair and reasonable argument. It is that what was in the minds of the delegates, and what would be in the minds of business men, was what had taken place during the last 20 years and what is taking place at the present time. An import into Canada was an export from that country into this country when it came direct in bond through an intervening portion of foreign territory. The same thing goes on in different parts between our country and the United States where the bonded system is in use. It is an import when it gets into a country under the proper forms, laws and customs regulations of the country into which it is imported.

Mr. PARDEE: With all due deference to the hon. Minister of Trade and Commerce,

his argument, in so far as I can understand it, is that these words are put in for the purpose of making it clear. Then he goes on to say that an import is an import and that those who carried on the trade and those who were parties to this agreement so considered it. If that reasoning is good and logical there is all the more reason to contend that the interpretation of this word 'direct' does not make it more clear, but makes it less clear than it was, and it emphasizes the fact that an import such as he describes is not the same kind of an import as that which is provided for under clause 2 of the agreement. It makes no difference to me, there is no factious opposition being offered, but it does appear to me that, as clause 3 of your Bill must be founded upon clause 2 of the agreement, if such a vital change is made in the Bill when compared with the agreement, the Act, if passed, cannot possibly stand. It appears to me that the insertion of the words 'imported direct' involves such a vital change from the terms of the agreement that even a customs officer or anyone else would be more likely to be misled by it than he would be by the plain words of the agreement if incorporated in the Bill.

Mr. FOSTER: Does my hon. friend apprehend a difficulty in this respect that a customs officer might refuse to allow goods to come through foreign territory?

Mr. PARDEE: If the goods are imported from the West Indies to Canada they must come direct if you put the word 'direct' in the Act. But you add to the possibility of their not being construed as having been imported direct by reason of breaking bulk or transhipping.

Mr. FOSTER: The word 'direct' may be used in two ways. It may be direct as the crow flies in a geographical sense, or it may be a direct shipment inasmuch as it comes through the proper channels without breaking bulk or being separated.

Mr. MACDONALD: My hon. friend the Minister of Trade and Commerce is telling us what these business men thought when they met together and discussed this proposition and he is very captiously trying to find some explanation for the curious anomaly that has been brought out during the present discussion of the agreement saying one thing and the Bill another. Clearly my hon. friend will have to allow this Bill to stand over in order to have it reformed. My hon. friend says that the use of the word 'direct' in this Bill does not in any way interfere with the clause in the treaty, that the use of the word must be interpreted in the light of the information in the possession of these peo-

ple when they got together. The word 'direct' means what a dictionary says it means, and the language of this Act would mean what it would be interpreted by a court to mean. If my hon. friend wants the word 'direct' to mean something different from what it means in this Bill he should provide an interpretation clause in the beginning in order to make it clear that the word 'direct' means something different from what it would mean under ordinary circumstances. Let us look at its meaning from the standpoint of the English language and we are to interpret this treaty not by what these gentlemen thought they were talking about but by what was put into actual language. We are to interpret this Bill not by what anyone, whether it is the Minister of Trade and Commerce, the Commissioner of Customs or the Law Clerk, may say is its meaning, but we are to interpret it in the way in which a court would interpret it, and the only way that a court would interpret such a law as this is by what it says. It says that duties shall be levied, collected and paid when such goods are imported direct from any British country.' What does that mean?

Mr. PARDEE: Could not an American importer import them?

Mr. MACDONALD: It means that the goods must leave that country to come to Canada and that they must come direct because the Act says that they must come direct. It does not mean that there is any intermediate country through which they may come but it says that they must come direct.

Mr. FOSTER: That is not the meaning that the customs put upon it.

Mr. MACDONALD: I do not care what the Commissioner of Customs or the Law Clerk says. I venture to say that there is not a court in this country, if it considered that Act, but would say that it meant that the duties were to be collected on goods that came direct. If we are going to have any different interpretation put upon this Bill, this House should hesitate in regard to the matter. Are we going to adopt a trade arrangement between Canada and the West Indies and then be told that this specific preferential arrangement is to be extended in the future to the trade that comes through the United States? What will my hon. friend from St. John have to say to his constituents, what will the hon. Minister of Marine and Fisheries have to say to his constituents, if they go back to St. John and say: We have concluded a treaty with the British West Indies by which we give them an extensive preference in order to encourage trade, but this preference does not mean that you are going to have the advantage of this trade on your Atlantic seaboard as they are going to import through the United States, just as they have always done because, although this statute says that the goods must come direct into this country, another person, some gentleman in the customs, is of the opinion that it does not violate the law to say that the Act means what he thinks it does and not what the statute says. There never came before the House of Commons any trade arrangement submitted in such a condition as this proposition is. My hon. friend is in this unfortunate position—and I do not blame him for it personally—that he has come before Parliament with an Act drawn in such a ragged, incomplete way that he is inviting the House to adopt something that was never agreed upon by the parties to the agreement. Not only is he asking us to violate the ordinary meaning of the English language by the insertion of a phrase that can only have one meaning in order to comply with the request of the Commissioner of Customs, but the agreement is further violated by subsection (b). Subsection (b) says that the duties shall be levied and collected—

> —at the several rates of duty, if any, set opposite to each tariff item respectively in the column 'British Preferential Tariff' in schedule 'A' to the Customs Tariff, 1907, and in any amendment thereof, whatever shall be the lower rate.

These words are not found in the treaty at all. I do not know where the Commissioner of Customs or the Law Clerk found them, but they are being put in the statute, while the treaty with the West India islands which has been solemnly drawn up and signed by the representatives of these different islands contains this provision and this provision only in regard to the limitation of duties

> On all goods enumerated in schedule B being the produce or manufacture of any of the above-mentioned colonies imported into the Dominion of Canada, the duties of customs shall not at any time be more than four-fifths of the duties imposed on similar goods when imported from any foreign country.

There is not a word in the whole treaty with regard to the British preference and the application of the British preference to this matter. Where my hon. friend, or the Law Clerk, or the Commissioner of Customs, found that, I would like to know. It is not in this document. The hon. Minister of Justice (Mr. Doherty) announced eloquently earlier in the evening that this whole thing was so clear that he who ran might read. The whole committee is now seized of the fact that the statute is in such a mess that no one can understand it. Whoever heard of a statute being proposed to Parliament, to ratify an agreement between two coun-

tries, and that statute having incorporated in it terms and proposals which were never included in the treaty? The minister must hold this Bill over until it is made to conform with the treaty which he made with those delegates from the West Indies.

Mr. PUGSLEY: If it is necessary to insert these words with reference to the goods enumerated in schedule B, why have they not been inserted with reference to the goods in schedule C? Why is it provided that the goods in schedule B, upon which a duty is to be paid, should only be entitled to the preference if they come direct to Canada, and that the free goods enumerated in schedule C need not be imported direct. It would be a disgrace to the records of this Parliament to allow the Bill to go through in its present form. You would not only have a Bill altering the terms of the treaty, but you would have a Bill providing one law for one class of goods, and another law for another class of goods, which, in the treaty, should come under the same regulations.

Mr. REID: Do I understand the hon. gentleman to take it for granted that the goods must come from the West Indian colonies to Canada direct, and that they cannot come in bond through the United States?

Mr. PUGSLEY: Just now, I am asking why, in respect to goods which are enumerated in shedule B, it is provided they must be shipped direct, and that with respect to the goods enumerated in schedule C, there is no such provision in the Bill?

Mr. REID: The goods enumerated in schedule C are free of duty and there is no necessity of stating any rate of duty on them.

Mr. PUGSLEY: Then according to the Minister of Customs, it means that in order to come in at a reduced rate of duty the goods must come by direct shipment, but in order to come in absolutely free, they need not come direct at all, but may be brought into the United States, can be there placed in warehouses and then shipped into Canada and distributed to the retail merchants of Canada by the wholesale merchants of the United States. The Minister of Customs is absolutely correct as to the facts, but the reasons he gives are not sound:

Mr. REID: The goods in schedule C are free. If goods are placed in bond in the United States, and brought from the United States to Canada, and taken out of bond, and if they are dutiable under our general tariff, they would have to pay the duties.

Mr. MACDONALD.

Mr. PUGSLEY: I say, with all good feeling to the Minister of Trade and Commerce, that if this Bill goes through as at present worded, it will be a disgrace to this Parliament. I wish it to go through in proper form, so that it may ratify the treaty, but if I am right in my contention, and I believe I am, would it not be a disgraceful anomaly that the Act should provide that dutiable goods, upon which there is only a preference of twenty per cent, must be shipped direct to Canada from the West Indies, or from a British country, and that goods upon which there is no duty at all, need not be shipped direct? The answer given by the Minister of Customs as to the reason for this omission in the Bill is the most absurd answer ever given in this House; it is no explanation at all. Does the Minister of Trade and Commerce approve of the reason given by the Minister of Customs for making one provision for dutiable goods and another provision for goods which are to come in free? Let me hear whether my hon. friend approves of that or not.

Mr. FOSTER: Go on and make your speech.

Mr. NESBITT. If goods were bought by a New York merchant from one of the West Indian Islands, shipped to New York, placed there in bond, and then shipped on to Canada in bulk, would the hon. Minister of Trade and Commerce consider that a direct shipment of West Indian goods under this Bill, and entitled to the preference?

Mr. FOSTER. I am not a customs manager; but I am quite willing to give the House my view in reference to it. If a New York merchant buys a lot of goods in the West Indies and takes them to New York, he has to enter them and pay United States duty, or he may put them in a bonded warehouse and keep them there for a certain length of time; but when he takes them out of that bonded warehouse and sells them to anybody whatever, he has got to pay the United States duty; if thereafter they come into Canada, they are met there by the Canadian customs and duty is imposed upon them as United States goods, on the usual basis of assessing the duty, taking into account the original cost and what other costs are necessary. The only way, to my mind, that you can make a direct shipment is that whoever buys the goods in the West Indies shall ship them direct to a port in Canada, I mean by that a geographically direct shipment; or a direct shipment under the meaning of the customs laws is, when the goods are consigned via New York, Boston or Portland in bond, and are kept under seal until they arrive at the Canadian customs house. When they arrive at the Cana-

dian customs house, they are for customs purposes a direct shipment. You may confuse the thing as much as you like geographically and otherwise; you may argue that if the word 'direct' is used there, that you cannot bring goods from the West Indies through foreign territory, that territory being the United States. That is not the the case; in the customs vernacular and in the meaning of the customs laws, the word 'direct' indicates that the shipment must come through from the country of production without breaking bulk, under the regulations which must govern the mode of entry. If you desire to confuse the thing with a geographical idea of directness, you can argue it for a night and a day or longer; but I think simple minded men, and men who look at it from a business point of view, quite understand the work and practice as it has been for years as to what we call direct shipments from a customs point of view.

Mr. MACDONALD: Does the hon. minister propose to put in an interpreting clause to define what it means?

Mr. LOGGIE: Assuming that I am a commission merchant in Montreal, I buy a carload of sugar from the West Indian Islands, and I have customers for sugar in Canada and the United States as well, when the car of sugar arrives in New York, I tell my broker to put it in bond; then I find that I can make more profitable sale in Montreal then I can in New York, and I order my broker to forward the goods from the bonded warehouse on to Montreal. May I ask the minister if I shall only have to pay the duty less the twenty per cent, which reduction I would be entitled to providing the shipment came direct to Montreal?

Mr. FOSTER: If my hon. friend had bought those goods in the West Indian Islands, and shipped them through by way of New York in bond——

Mr. LOGGIE: Placed them in a bonded warehouse?

Mr. FOSTER: The bonded warehouse might be a car or anywhere else. Supposeing in this case you put them into a bonded warehouse under bond and seal, and kept them there for transmission to Canada; if you did that and they came through to Canada in the end, under the time restrictions that the customs law imposes—I do not know whether they allow six months or a year or two years, but they must adhere to the law—then I think you would be perfectly entitled to the reduction in duty of one-fifth. If you take them into New York, enter them at the New York customs house, and put them in a New York bonded warehouse, then when you take them out, you have got to pay the duty on them as United States goods if you distribute them in that way.

Mr. GERMAN: I would like to know where the hon. minister gets that interpretation in clause 2 of the agreement. I am not particularly interested in the word 'direct.' If the word 'direct' in the Bill makes any change in the agreement, then that word is ineffective, because this Parliament cannot change the terms of this agreement; that is very certain. I think the hon. Minister of Trade and Commerce will agree with that, and I think the Minister of Justice will bear me out in that, that this Parliament cannot change the terms of this agreement, or the interpretation. The hon. gentleman says that if the duty is paid on a consignment of goods coming from the West Indies to New York, that those goods then cannot come into Canada under this four-fifths arrangement. There is nothing in the agreement which says that, or, in my opinion, which means that. It says, 'Goods enumerated in schedule B being the produce or manufacture of any of the above-mentioned colonies, imported into the Dominion of Canada.' It does not say, 'imported from the West Indies,' but, 'imported into the Dominion of Canada.' Suppose a merchant in the West Indies sends a consignment of rubber the produce of one of the islands enumerated in the treaty, to New York, and pays duty on it there, expecting to sell it. But he finds he cannot sell it profitably in the United States and wishes to send it to Canada. Will the Minister of Justice, or will any legal gentleman on that side, say that under the agreement he cannot send it in in the basis of four-fifths the duty? The rubber does not become United States goods because it goes into the United States. Under this agreement the owner can send it here under four-fifths duty. I venture to say that that is the interpretation the Exchequer Court would put upon this agreement if the matter were referred to it for its decision.

Mr. LALOR: As I understand the hon. member for Welland, he contends that if these goods go into the United States and are there taken out of bond, they still remain goods of a foreign country.

Mr. GERMAN: It does not say 'goods of a foreign country.'

Mr. LALOR: Well. goods of one of the West India Islands covered by this agreement. Surely, when goods go into the United States and are taken out of bond and the duty is paid on them, they become American goods, just as, when a citizen of this country goes to the United States and takes the oath of allegiance there, he becomes an American citizen. Of course,

where goods are shipped in bond and bulk is not broken, that is a through shipment and the goods do not become goods of the United States. I have shipped carload after carload to foreign countries through the United States, held them in bond in that country, and, at the proper time, shipped them to their intended destination, and these were regarded as direct shipments and duty was not collected in the United States. I ship goods to Germany in that way every year. So long as they are in transit, and continue in transit within a due period, they are regarded as being shipped through. But the moment bulk is broken, the moment you take them out of bond and pay the duty, they become American goods. The argument of hon. gentlemen opposite seems to be that an American citizen cannot ship goods to the West Indies and get the benefit of this treaty. It makes no difference who ships the goods, so long as the goods come through. But, the moment bulk is broken in the United States and the goods are taken out of bond and duty paid, they become American goods.

Mr. PUGSLEY: I think my hon. friend has not quite apprehended the point which is made. The point is that under clause 2 of the treaty there is no requirement that the goods shall be shipped direct from the West Indies.

Mr. LALOR: But I would ask the hon. gentleman: Is it not the case that the interpretation of the law by the Canadian customs is that it makes a difference whether goods are shipped direct to Canada or shipped through an American port?

Mr. PUGSLEY: But the collector of customs could not alter the terms of the treaty, and what the treaty provides is plain. All that is necessary in order to entitle the goods to come in under the preference is that they shall be the goods of any of these British West India colonies. As to the goods enumerated in schedule B, the Minister of Trade and Commerce asks this Parliament to put a qualification on that agreement and declares that these goods must not only be the produce or manufacture of one of these islands, but they must be imported direct. I submit that Parliament has no right to make that qualification. I have argued that point, and do not wish to detain the House upon it. But there is a point that the Minister of Customs has not answered. I do not raise it for any technical reason but for substantial reason. I would like my hon. friend from North Grey to look at this Bill. I repeat what I have already said that, while this qualification is made in regard to goods under schedule B, no such qualification is made in regard to the goods under schedule C. Surely, that is a serious proposition and one to which we are entitled to an answer. I should not be doing my duty as a member of this House if I assented to this Bill going through in this form. Will the hon. gentleman give us an answer to the question as to why there is not the same provision regarding the goods enumerated in schedule C as has been made in regard to schedule B? I think, as a matter of courtesy, that I am entitled to an answer to this question.

Mr. GUTHRIE: This matter is of too great importance to be treated with the silent contempt evidenced by the Minister of Trade and Commerce and by hon. gentlemen opposite. I think if the Minister of Justice would give us his attention for a few moments we might draw something from him as to the reason for the peculiar piece of legislation which is now before the House. I am sure anyone who considers the matter will agree with my statement that the Bill is not now in correct form. If the hon. member for North Grey, the hon. member for Kingston, and the hon. member for North Ontario will give the matter serious consideration for a moment, I think they will quite agree with the statement that there is a discrepancy in the Bill regarding the language of the clause as applying to goods entitled to come into Canada on a preferential scale of duty. There is another discrepancy, and that is that the words 'direct importation,' do not, in the language of the Bill, at all apply to free goods. To my mind it will be a simple matter to amend the section under discussion, but there seems to be no disposition on the part of the Minister of Trade and Commerce or the Minister of Customs to assist in the matter. They sit in their places and say nothing; they do not give reasons for the language of the Bill, or for the distinction which hon. gentlemen have pointed out. If the Minister of Trade and Commerce has a reason; if he knows of the distinction, it would settle the whole discussion in a few moments if he would tell us what it is. From the report of the proceedings of the legislature of Barbadoes one can only conclude that the President realized the importance of the point when he used the words:

> Direct importation would seem to imply that these goods must not pass through any foreign country on the way to their destination.

The President of the Barbadoes Legislature gives that as his opinion, and states that the word 'direct' is most unfortunate language, and when they came to this identical clause they adjourned in order to take time to consider the matter. Would

the minister be good enough to say how the matter was finally settled; whether they dropped the words or amended the clause, and in what form it went through the legislature of the Barbadoes or any of the other colonies affected? I think the Minister of Trade and Commerce might treat the matter with great courtesy and with more seriousness and give a fair answer to the questions which have arisen.

Mr. FOSTER: I have endeavoured to give the reasons and answers requested, but sometimes I group two or three together, as it is easier to get at them in that shape than to answer each one separately, in view of the fact that the same question is asked over and over again. We are now on section 3, and I have given the reasons why section 3 should go through as it is here, and why the word 'direct' is used. A great deal of argument has been put forward with reference to the fact that in the agreement the word 'direct' was not in, but that the word 'import' only was used. It does not seem to me that this is at all important. The fact that the word 'import' is used means that it must be an import under the customs laws of the country into which it comes. If goods exported from Canada into Holland bear a certain duty, and it becomes a Canadian import into that country, it follows the laws and regulations of the country into which it goes. A man might purchase some goods, and, without going through any regular customs formula, carry them in his pocket or in his wagon, but he would find that he could not make an importation in that way. An import into a country has to follow certain channels; it has to be governed by certain regulations, and unless those regulations and conditions are fulfilled, it is not, in the law of that country, an import. So you are not taking away one single iota of the breadth of the word 'import' in the agreement when you make it conform to the customs regulation, and the law upon which the regulation is based, to enable it to come into Canada as an import.

Mr. GUTHRIE: Why not strike out the words?

Mr. FOSTER: I have been trying to impress upon my hon. friend the fact that we are not limiting what is really meant by the word 'import,' but we are making it more directly to conform with our customs laws, and as is done by every other country in the world. The hon. member for Welland has advanced the argument that West India goods remain West India goods, and are able to claim the privileges of this agreement, even though they are bought by a United States man, the United States duty paid on them, and then packed up and sent into Canada. The idea that such goods could be called imports in the legal sense of the word, that they could be called goods of the West India Islands under the customs laws of the country to which they come——

Mr. McKENZIE: The agreement does not say goods of the West Indies—it says the produce or manufacture of the West Indies.

Mr. FOSTER: Produce and manufactures are goods; and the tariff applies to all goods, whether they are natural products or mechanical products, and as imports they are to come through the proper channel laid down by the customs laws of the country to which they come. My hon. friend (Mr. Pugsley) asked the reason why in schedule C the same word 'direct' is not inserted. I have been thinking that over, and I do not see the exact reason why. There may be a reason, and I shall talk with the customs officers about it and find out whether or not it is necessary. According to the reasoning of my hon. friends, they should have no fault to find with that, for they are arguing against the word being put in the preceding section.

Some hon. MEMBERS. Oh no.

Mr. PUGSLEY: It should be out of both.

Mr. FOSTER: That criticism is quite fair, and I am not taking exception to it. I shall look into the matter, but I cannot deal with it fully at present. It may be that it should go in as it is, or it is possible that the word 'direct' should be added.

Mr. PUGSLEY: The same reason applies to both.

Mr. FOSTER: That does not prevent us from passing section 3, about which there is no doubt, in order that we may go on with the others.

Mr. MACDONALD: The minister has not dealt with the point I ventured to make—and which I consider to be an important one—that there is nothing in the treaty which says anything about the British preference playing any part in the fixing of the duty. There is no warrant for sub-section (b) of section 3, so far as the treaty is concerned.

I may say to the hon. minister that hon. gentlemen on this side of the House have no desire except to have this Bill put through in proper shape. The principle of the treaty is one, which, I understand, my hon. friends here as well as myself, are anxious to see ratified with the proper precautions in the interests of Canada. I wish to put this view before my hon. friend the Minister of Trade and Commerce, and it is very largely at the basis of this legislation. The popular view in Canada has been

that as a result of this arrangement we would be able to import into Canada through Canadian seaports, and export to the West Indies through our seaports, the products of both countries under conditions which would be more favourable than they have been hitherto. There will be great disappointment if it is found that no preference is shown to Canadian seaports. Having looked at this section and other sections of the Bill, I am quite sure the hon. minister would make more substantial progress if, in regard to the legal effect of some of the questions that have been raised or may be raised, the Minister of Justice were consulted about the matter, because the Bill has not been drafted with that care which should be given to a measure of this importance. I am satisfied that my hon. friend the Minister of Trade and Commerce would make greater progress if he would allow it to lie over for a little and come back and speak on those points that have been raised.

Mr. CLARK: I have not left my seat for one minute while this Bill has been in Committee, and I rise now to endorse the appeal which has been made to the hon. minister by my hon. friends from Pictou and South Wellington. I must say there seems to be very great ambiguity in this Bill. I am not a lawyer, but very little has been made clear so far as my humble capacity has permitted me to follow the discussion, and I have followed it very carefully. My hon. friend the minister did not seem to be clear about the word 'direct,' and I am not clear as to whether the four-fifths of the duties are to be reckoned according to the duties collected against French goods or against United States goods. Then there was a point raised as to whether the duties collected under subsection (d) were contingent on the British preference. We have had no declaration of the policy or standing of this Ministry in regard to British preference. This Bill is to stand for ten years, but it will not stand as it is now if the British preference is to be altered. At any moment commercial dealings affected by this Bill may be thrown into confusion by an alteration of the British preference. The only clear point that has been brought home to me in the Committee was that referred to by my hon. friend from Wright (Mr. Devlin). I must say that he has made that one point perfectly clear, and I think it is one that should be made clear to the people of this country. This is the first time I have assisted in Committee such a preferential Bill, or tried to study empire-building from this point of view. Before the recess my hon. friend the Minister of Trade and Commerce gave my hon. friend the assurance that the farmers in Wright county would be able to get certain of their produce into the West Indies under this treaty more easily than they have hitherto, hay for example. Since the recess, my hon. friend has made it equally clear that cocoa will come into this country with more difficulty. So there is one thing clear to me, and I repeat, I hope it will be made clear to the people of this country, that under this Bill, preferential empire-building means that West Indian horses will get hay more easily by Canadian human beings getting cocoa with more difficulty. As I do not want to get my cocoa with any greater difficulty for the sake of the West Indian horses, I the more readily and more emphatically endorse the appeal which has been made by my two hon. friends, that we should let this thing stand, and that the minister, who looks very tired, and others should take some fresh air and be better able later on to clear up the points other than this one which has been made perfectly clear.

Mr. DEVLIN: May I ask the hon. Minister of Trade and Commerce why he did not follow the procedure adopted in 1907 when the Parliament of Canada ratified the treaty between Canada and Japan? There could not possibly be any conflict of opinion as to the interpretation of that Act, there could not be any conflict of opinion between the law passed by this Parliament and the treaty itself, because under the Act 6 and 7 Edward VII, chap. 50, the very simple procedure followed was to have two clauses, the first 'that this Act may be cited as the Japanese Treaty Act of 1906,' and secondly, 'the Convention of the 31st day of January 1906, which is set forth in the schedule of this Act is hereby sanctioned.' That would have covered the whole point, and I do not think my hon. friend the minister would have had to go into all the explanations that he has given of the different clauses of this Bill if he had followed out that procedure. He would certainly have obtained exactly what apparently he seeks to obtain, the ratification of the treaty purely and simply.

Mr. GRAHAM: I have some sympathy with my hon. friend the Minister of Trade and Commerce because there have been times when I thought I had bright ideas in my head but when the lawyers got through fixing up the Bill containing them, it did not seem to be what I meant at all. I think that if instead of replying to us in the way he did to-night, my hon. friend the Minister of Justice had taken this Bill and whipped it into shape, and, as head of the legal department of the Government had become responsible for its accuracy, we

would not have had all this trouble. May I be permitted to say this while I am on my feet—and it ought to be plain to every person in this country—hon. gentlemen opposite who have in the past expressed a different view should remember that under our British system the making of a treaty is practically a secret arrangement between the parties affected, until it comes before Parliament. In this country people have been led to believe at times that there was something wrong when members of the Government met members of the Government of another nation and made a trade arrangement on their responsibility before telling all the people of the country its contents. We did not know the contents of this arrangement until it came before the House, and if hon. gentlemen opposite want to follow in the line that some of them have taken in the past in criticising that method of making treaties, they must go to the United States for their model, instead of to the mother of parliaments or to the British Constitution. I want to point that out, so that we will have no more difficulty in the future in that respect, no matter what party is in power. It is the most utter rubbish for members of Parliament or other public men to go through the country trying to raise prejudice because the Government have entered into a trade arrangement and the details are kept secret until the arrangement is placed before the representatives of the people. That is our system, and so long as it is in vogue, that is the method they must follow, no matter what government is in power.

This side of the House believes in this arrangement. We cannot do otherwise than believe in an arrangement of this kind, because the late Government was sympathetic towards it, and took active steps towards bringing such an agreement into operation. But it is a more important thing than making a trade arrangement with the West Indies simply, far more important. It is laying the foundation of what the Government think ought to be the policy of all the overseas dominions and of their relation to the British Empire. That is the further development of inter-Imperial, intercolonial arrangements and this arrangement, the letter of it as well as the spirit, will be taken as the foundation for future agreements which the Minister of Trade and Commerce wishes to make. He will go to Australia, he will go to New Zealand possibly, and discuss agreements. The basis of his discussion there will be what we did with the West Indies. The circumstances will be different, the conditions will be different, but the basis will be this treaty which we are now putting through and consequently it is of far more importance than if we were just making a single arrangement because this will be the model upon which the others will be based. The minister, therefore, will not think that we are factious on this side of the House in arguing it at some length and trying to get it in as perfect form as possible. We admit gladly that the Minister of Trade and Commerce knows more about this agreement than any member of the Government. It is his progeny, so to speak, and we want the Bill so framed that there will be no conflict over any word or any difference between it and the treaty. When a resolution is brought into this House on which a Bill is based we are not allowed to depart from that resolution one iota. The Bill must be based on the terms of the resolution. Here it is equally obligatory that there shall be no deviation, or anything that can be interpreted by any person as a deviation, from the contract signed with the West Indies. This is a contract entered into and this Parliament has no right to make any deviation therefrom. We must either approve of what the Government has done or disapprove and no change can be made in the contract any more than it can be made in any other contract without both parties to the contract consenting. So, we must be very careful because I contend that absolutely, technically, literally, the document in existence must control if there should be a dispute and not any Act that we may pass. We find something in clause 3 of the Bill about the British preference. It is not in the treaty. It may not do any harm but should we put anything about the British preference in the Act when it is not in the treaty? Is it necessary? Will the West Indies put something in their Act that is not in the treaty binding themselves to do something that the treaty does not bind them to do? I do not say that there is anything wrong in it but it is altogether unnecessary. The Department of Customs have interjected several things into this Act, perhaps to make it more workable from their standpoint, but these interjections should not have been made by the Minister of Customs, because they are not in the agreement. We cannot make the interpretation of this agreement; the two parties must make the interpretation and not this Parliament. My hon. friend from Welland raised a point that was partially answered by the hon. Minister of Trade and Commerce. The hon. member for Haldimand gave a good business view, but he had not, I fear, caught the point of my hon. friend from Welland. Take clause 2 of the agreement:

> On all goods enumerated in schedule B, being the produce or manufacture of any of the above-mentioned colonies, imported into the Dominion of Canada, the duties of customs shall not at any time be more than goods when imported from any foreign country.

That is from the agreement. We cannot change that agreement one iota.

Mr. LALOR: Does not that cover the point at issue? The point was raised by the hon. member for Welland that these goods could be brought into the United States and then exported to Canada. Does that clause not cover it? It says 'On similar goods when imported from any foreign country.' When they are imported from the United States they are imported from a foreign country.

Mr. GRAHAM: It may mean just what my hon. friend says but the agreement is very badly worded if it does. If we are to read it by deduction, as the hon. member for Frontenac said, we may be compelled to say that goods coming from any place where they are manufactured, or goods which are the produce of the West Indies, should come in under this preference because it does not say that they should be imported from the West Indies but only manufactured or produced there. We cannot change that even although it is somewhat bungled without a conference with the West Indies. I do say to the Minister of Trade and Commerce that I desire to assist in this Bill and when we find in clause 3 something not in the agreement I would suggest that he refer it to the Justice Department to give him its best legal advice as to the construction of this Act, what ought to be put into it and what left out. My own view is that there should be nothing in this Act but the provisions of the agreement signed by the two countries.

Mr. EDWARDS: Does clause 3 in any way conflict with the agreement in the working of this Act?

Mr. GRAHAM: It might.

Mr. CURRIE: The hon. gentleman has advanced a very strange doctrine with regard to the making of treaties. There are two classes of treaties—treaties dealing with peace and war and general matters of that kind, and trade treaties. There is a wide distinction between these two classes of treaties. It has always been held in England, where we are supposed to find our model, that Parliament must pass upon a trade treaty and that it has a perfect right to amend that treaty. It has exercised its right to do so. The hon. gentleman says that there cannot be a Bill that modifies or changes a treaty. Why is a treaty presented to Parliament at all for ratification by Parliament unless it is subject to the control of Parliament?

Mr. GRAHAM: It may be rejected.

Mr. CURRIE: As a rule treaties made between Great Britain and other countries are not subject to parliamentary consideration at all. They are simply presented. But a trade treaty is presented to and discussed by Parliament as a matter of business and as a matter that involves supply. If the hon. gentleman can show me any single case or authority for his contention I will be very glad to acept it; otherwise I would strongly advise him to go home and read the matter up.

Mr. GRAHAM: My hon. friend has given the fullest answer himself against the argument in favour of this Bill. He did not catch what I said or he did not understand it.

Mr. CURRIE: The hon. gentleman has never read up the matter of trade treaties at all or he would not advance the proposition that he does with regard to this question.

Mr. GRAHAM: I am sorry for my hon. friend's ignorance of the subject but I cannot help it.

Mr. PUGSLEY: As the minister has stated that he intends to consider the question as to whether there should be some provision in regard to the goods enumerated in schedule C as also in regards to goods enumerated in schedule B, would it not be reasonable that the Committee should rise and let my hon. friend consider that? As far as I am concerned I think there should be some provision. My hon. friend will see that if schedule C is to be left out altogether then the same argument would apply to schedule B according to our view. Time would be saved if the minister were to allow the Committee to rise and have this matter carefully considered.

Mr. FOSTER: I am very anxious to make some progress with this Bill. We have had a very thorough discussion on section 3, and I do not see that we can make very much change in it. It may be a fair question for discussion as to whether or not anything else should appear in the Bill except approval of the mere wording of the agreement. However, this has not quite the solemnity of a treaty; it is an agreement. I do not say that an agreement should not be observed strictly, but I merely mention that there is a difference between a treaty between sovereign nations and an agreement such as this.

Mr. PUGSLEY: What is the difference?

Mr. FOSTER: This is not so cast-iron. I do not want to consent to the suggestions made with reference to sub-clause (b) because we have been giving to the West Indian Islands up to the present the benefit of the British preference for fifteen years and they have not been sacrificing anything to give a return for that benefit. It may be they could have gone on for many

years more getting the same benefit and giving nothing in return, but they propose here to give something in return, and I want to say that these islands have pinched themselves in some respects in order to give us that return. They have gone as far as it is possible for them to go. under their conditions, to give us a preference in return, to show their goodwill and to occupy the position of being manly traders one with the other. At the same time they may say: we came to Canada to mae an agreement and we gave you twenty per cent and we have never given you anything before; you give the British preference uniformly to every other British country, except Australia; you give it to all other colonies and other dependencies, and so long as you do it sends us back to our homes in rather an odd position if we say we went up there to make an agreement, and having made the agreement the result was that we cut down the preference given to us in Canada below that given to every other country. They did not ask for sub-section (b). It is not in the agreement but it was well understood that so long as we kept the British preference it was to be given to them. You may cut that out but if you do you will do rather an injustice to the people of the West Indies as compared with every other British colony and dependency which enjoys the full preference. That was put in as a piece of good-will.

Mr. MACDONALD: Was it not put in the agreement?

Mr. FOSTER: It was not put in the agreement because the agreement contemplates an enduring thing on both sides, but it was not meant to interrupt the action of common good will which is extended to almost every British community in the world so far as our British preference is concerned. I do not think the House wants that to go out.

Mr. PUGSLEY: I do not think there would be any objections to sections 6, 7, 8, and 9 passing and that would only leave sections 3, 4, and 5 to be considered when the Bill is next taken up. If section 3 is to be there at all I would like it to make the same provision in regard to schedule C as to schedule B, and it could be amended by adding words so as to read: 'In schedules B and C' instead of in schedule B alone. Why not take up sections 6, 7, 8, and 9 and leave the others for consideration.

Mr. FOSTER: Very well.

On section 6, extension to other colonies in schedule D.

Mr. MACDONALD: Where would Canada's interest be under this arrangement, assuming that a trade agreement was made between the Bahamas and the Bermudas and the United States?

Mr. FOSTER: This agreement lasts for three years. I do not understand that these colonies are seeking any such agreement.

Mr. MACDONALD: I so saw it stated in the press.

Mr. FOSTER: My information is different There is a tariff hearing at Washington and there has been a proposition that limes shall come into the United States at a lesser duty, and that various other tropical fruits shall be free. Those interested in lime culture and other fruits in the Bahamas and other West Indian Islands have representatives before that committee asking that the duty on limes be removed or reduced, but that is not a question of the administration of the Bahamas or the Bermudas making a reciprocity treaty.

Mr. MACDONALD: Suppose for example British Guiana should make a trade arrangement with the United States in regard to any article included in this arrangement would we not be compelled to accord some privilege to the United States?

Mr. FOSTER: Not in the least by any arrangement we have made with British Guiana.

Mr. MACLEAN (Halifax): Has the minister taken into consideration the point I raised when the resolution was first presented to the House? The Government of Newfoundland intimated to the Royal Commission that they would like to be considered as a party to this agreement, if any arrangement were concluded between Canada and the West Indies. I suppose that it was in consideration of that request that the negotiators of this agreement added Newfoundland to the schedule. At the time the resolutions were presented to the House, I suggested that Newfoundland should not appear in schedule D. The minister treated the objection rather lightly at that time. I do not propose pressing it very much beyond calling his attention to the fact, that it clearly should not be in schedule D; it should be in a separate schedule. I do not know how we can amend it very well; but on a strict interpretation of that agreement now, all that Newfoundland could send into the West Indian Islands would be West Indian Island products which they do not produce.

Mr. FOSTER: They could send them into this country.

Mr. MACLEAN (Halifax): Yes, send into this country articles which are mentioned in schedule D, and which Newfoundland does not produce. It is an error, and it might be worth while considering, although it does not affect Canada.

Mr. FOSTER: It really does not amount to anything one way or the other, in a technical sense or in a theoretical sense; but there is to a certain extent a practical side to it; there may be a practical sympathetic side which may work out into something better. Newfoundland wished to be recognized with reference to the agreement, that is to have its rights safeguarded or something like that. Newfoundland was not a party to the agreement, did not sit with the parties to the agreement and consequently neither we nor the West Indian Islands could make understandings which would bind Newfoundland. A very kindly feeling existed between ourselves and Newfoundland, and between the West Indies and Newfoundland; and some of their delegates gave free expression to the idea that when they were making their customs regulations and their laws with reference to this, they would be as friendly towards Newfoundland as they possibly could be. My own impression is that they will treat Newfoundland very much as they will treat the other British Colonies, although I am not able to say that they will.

Mr. MACDONALD : We give Newfoundland the preference now, do we not ?

Mr. FOSTER : No.

Section agreed to.

On section 7—extension to United Kingdom and to other colonies.

Mr. MACDONALD : What does that clause mean ?

Mr. FOSTER : It means that in some few cases very unimportant, in the variations of duties upon foreign goods, there might be more extensive changes; and the West Indian colonies get four-fifths of the duty imposed upon foreign goods coming in. If in any case that would give to the West Indies a lower entrance than the British preference gives to the British countries, the British countries would also get the advantage.

Section agreed to.

Progress reported.

On motion of Mr. Foster, House adjourned at 11.55 p.m.

HOUSE OF COMMONS.

FRIDAY, January 24, 1913.

The SPEAKER took the Chair at Three o'clock.

THE ROYAL ASSENT.

Mr. SPEAKER: I have the honour to inform the House that I have received the following message from the secretary of His Royal Highness the Governor General:

Ottawa, 24th Jan., 1913.

Sir,—I have the honour to inform you that the right hon. the Chief Justice of Canada, acting as Deputy to His Royal Highness the Governor General, will proceed to the Senate Chamber this afternoon at 4.30 o'clock for the purpose of giving the Royal 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,
H. C. LOWTHER, Lt.-Col.,
Governor General's Secretary.

The Honourable
The Speaker of the
House of Commons.

REPORTS AND PAPERS.

Report of the Civil Service Commission for the year ended March 31, 1912.—Mr. Coderre.

GOVERNMENT RAILWAY CLAIMS.

Mr. MACDONALD moved for leave to introduce Bill No. 95, to amend chapter 26, of 9-10 Edward VII, entitled: 'An Act to provide for the adjudication of small claims arising in respect of the operation of Government railways.' He said: Mr. Speaker, some few years ago the Government of the day introduced a measure bearing the title which you have had some difficulty in reading a moment ago, intended to provide for dealing with the numerous small claims which are continually arising along the line of the Intercolonial railway. The difficulty which gave rise to the necessity of such legislation was this: The extent of the railway and the numerous questions arising which occasioned a right of action meant that there were a large number of claims continually being pressed upon the department which could not very readily be disposed of. The same machinery for dealing with claims as existed in the usual company railway was not found and I do not think it exists upon the Intercolonial railway. The effect of that legislation was to provide that these claims could be referred to the county court of the respective provinces where the county court existed, or, in the province of Quebec, to the court of competent jurisdiction and could there be disposed of locally. Originally all these claims which required to be adjudicated upon, went to the court of exchequer which, in dealing with some of these questions, is naturally a cumbersome court, sits but very rarely in these provinces and is not a proper tribunal to deal with such matters. The difficulty with that legislation, however, was that the extent of the jurisdiction of these various courts was limited to $200. There was no logic

or reason in fixing $200 as the limit of the jurisdiction of these courts in this particular instance. All these county courts in these various provinces had jurisdiction up to $500 involving claims of a similar character between individuals. I pressed upon the Minister of Justice at the time the desirability and common sense of the proposition that the county court should have jurisdiction to deal with claims of this character to the extent that they could deal with other claims and I have been unable to see why $200 was fixed as the limit. The object of this legislation is to provide that the county courts, or the courts that have jurisdiction in such provinces as do not have county courts, shall have jurisdiction up to the extent of $500 instead of $200. That is the only provision in the Bill. I hope the minister will take up this question and treat it as a Government measure. So far in this session of Parliament I do not think that any Bills have reached their second reading, but the present system of disposing of matter must occasion a lot of difficulty to the department and its officers and therefore this proposed legislation ought to be welcomed, I think, by the minister.

Mr. BORDEN: Is it already provided that claims of not over $200 can be decided by the county court?

Mr. MACDONALD: Yes. In Nova Scotia the jurisdiction is conferred on the county courts to deal with such claims up to $200, and in numerous cases that provision of the law has been taken advantage of. Once the principle is recognized that these claims may be submitted to a court of competent jurisdiction in a particular locality, there seems to be no reason whatever why that same court should not have jurisdiction in these claims to the extent of its jurisdiction in disputes between parties. The Bill proposes to increase the amount from $200 to $500 in these departmental cases. It will relieve the department from having to deal with a number of these claims, and it will afford a ready method to enable the parties who have these claims to have them disposed of. I would be much pleased if the Minister of Railways would take this up as a Government measure, so as to facilitate its passage this session.

Motion agreed to, and Bill read the first time.

PRIVATE BILLS.

FIRST READINGS.

Bill No. 96, respecting the Canadian Northern Railway Company.—Mr. Sharpe (Lisgar).

Bill No. 97, respecting the Canadian Northern Branch Lines Company.—Mr. Sharpe (Lisgar).

Bill No. 98, respecting the Canadian Northern Ontario Railway Company and to ratify and confirm the purchase of a portion of the Carillon and Grenville Railway Company's property.—Mr. Currie.

Bill No. 99, respecting the Canadian Northern Quebec Railway Company.—Mr. Guilbault.

Bill No. 100, respecting a patent of the Honourable Ambrose D. Richard and others.—Mr. Fowler.

Bill No. 101, respecting patents of Frederick Jacob Newman and others.—Mr. Macdonell.

Bill No. 102, respecting the Niagara, St. Catherines and Toronto Railway Company. —Mr. Wilson (Wentworth).

EXAMINATIONS IN SEAMANSHIP.

Mr. BELAND: Before the Orders of the Day are called, I wish to ask the Minister of Marine if he has received a report as to the examinations in seamanship which were held in London, England, on the 13th January last; can he say what has been the result of said examinations with respect to the young Canadians who wrote in them?

Mr. HAZEN: No formal report has yet been received by the Naval Department, but I understand unofficial information has been received to the effect that the Canadians have all passed, and, as I understand, they have nearly all passed in the first class. I will send the information to my hon. friend.

STRIKE AT PORCUPINE.

Mr. VERVILLE: Has the Minister of Labour any information to impart to the House with reference to the case of the labour leaders who were arrested in connection with the strike at Porcupine and fined $300 or three months' imprisonment?

Mr. CROTHERS: I have seen the press despatch referring to the matter. That, while announcing the fine or in the alternative imprisonment, also stated that an appeal against the judgment had been or was about to be taken, in which case, of course, the proceedings would be stayed until the appeal had been determined. I have taken the matter up with the Attorney General of Ontario in order to ascertain the facts, and to see what steps should be taken, if any, with regard to the matter.

WEST INDIAN TRADE AGREEMENT.

House again in Committee on Bill No. 28, respecting an Agreement between Canada and certain of the West Indian Colonies.—Mr. Foster (Minister of Trade and

Commerce). (Mr. Deputy Speaker in the Chair.)

On section 3—duties on goods in schedule B:

Mr. PUGSLEY: When we were considering the Bill last evening, it will be remembered that sections 6, 7, 8, and 9 were passed; but sections 3, 4, and 5 were left over for consideration. My hon. friend the Minister of Trade and Commerce was going to decide by to-day as to whether the Bill would be amended so as to make the same provision in regard to goods enumerated in schedule B as in schedule C. While the Bill alters, as we contend, the terms of the treaty by limiting the preference on goods in schedule B to those goods which are shipped direct either from the colonies named or from any British country, there is no similar provision in respect to goods enumerated in schedule C. My own view is that we have no right to alter the treaty at all; if we pass the Bill, we are changing the treaty entirely so far as goods enumerated in schedule B are concerned, but are leaving the treaty just as it stands in respect to goods enumerated in schedule C. I think there should be the same provision in regard to both classes of goods.

Mr. FOSTER: I remember stating to my hon. friend, when he made that criticism with reference to goods in schedule C, that I did not see just at the moment why there should be a difference between the two; I am of the same opinion yet. I propose to add a new section 4 after section 3 which will place the imports under schedule C in exactly the same position, as by this Bill it is proposed to place the goods in schedule B. I have not altered my mind at all with reference to what is necessary and best with regard to section 3 as it now stands. I might remind the House of one or two things, which were probably well discussed yesterday, but which will no doubt come up again. I will give my views with reference to them so that we can commence the discussion de novo, if it is necessary to do so. The whole question arises, as my hon. friend contends, as to whether or not it is posible for this Parliament to alter, in the legislation it passes, the letter or the spirit of the agreement entered into and embodied in the document which is before the House, and as to whether the legislation proposed is in accordance with the spirit and the intent of the agreement which was entered into, or whether it alters the spirit and intent of that agreement, either to the disadvantage of ourselves or to the disadvantage of the other party. I wish to say that this legislation embodies absolutely the understanding of the Canadian delegates in that conference as to what was agreed to between the two parties, and what is embodied in the treaty itself. I gave some statements last night as to why I thought that was so; I will repeat them briefly, but a little more in extenso from the first. In the first place, the delegates from the West Indian islands never in the whole process of negotiations, as will be seen by my hon. friend if he reads the record, raised the question that they stipulated for or expected anything different in the way of customs entry through foreign territory from what they were at that time receiving, what they are now receiving, and what they have been working under during the last fifteen years, to go no further back. What was the understanding that all the delegates in that conference had? We were negotiating primarily and almost entirely with reference to the customs imposts upon articles and products from the one country going into the other. It was not a conference called to consider Customs Acts or regulations under Customs Acts; what we were considering was what advantage could be given by one side to the other in the way of preference, that advantage to be expressed by the customs rate to be affixed to the articles themselves. That being true, what was the idea of the delegates from both countries? The delegates from the West Indian Islands were business men, men engaged in trade themselves, men who knew the course of trade and who were cognizant of the channels which trade takes; they knew well that goods coming from the West Indies during the last fifteen years, to go no farther back, had two channels by which they could come. Their goods were subject to the British preference which was the best tariff preference that we gave to any country. For fifteen years, the West Indian Islands had been carrying on trade between their country and ours. Their goods could come by direct shipment in vessels from ports in the West Indian Islands to ports in Canada; or they could come and did come in large quantities by another route which involved a certain amount of transit in a foreign country; they could only come through that country in transit and get the advantages under the provisions of the British preference by adhering to and complying with certain laws and regulations; they were to be consigned from the West Indians Islands to whatever port in Canada they were destined for; they could then go to the American port, where they were put in bond and sent through in bond; then they would be accepted at the Canadian place of consignment. That is to all intents and purposes absolutely the same

in the effect upon the tariff on the goods as though they had come in direct from the port in the West Indies to the port in Canada as far as all advantages were concerned in the British preference which the West Indies were receiving during these fifteen years. In no way could they get their goods through the territory of the United States, except through the channel provided by the customs laws and regulations of Canada. That fact, of course, was in their minds. The point was not raised as to their getting further advantages, for instance, having the privilege of making New York, Portland, or any other port in the United States a jobbing place for American merchants who could bring goods from the West Indies, warehouse them there, and job them out, some to one place, some to another, and send them in parcels as they pleased to this country, and then say that because they had their origin in these islands, they could come in under the British preference.

Mr. OLIVER: Might I ask my hon. friend, is he saying that the present condition is direct shipment through the United States or the condition of jobbing that he speaks of?

Mr. FOSTER: The hon. gentleman is asking as to the condition which now exists and has existed for fifteen years? I say it is absolutely direct shipment under the regulations and within the meaning of the Customs Act. I was going on to say that, with that idea in their minds, the delegates came to their conclusions. With that knowledge, they made no stipulation for any wider privileges. I do not believe they wanted them; certainly they did not ask for them. Under this legislation, they get exactly what they have had for fifteen years.

Mr. PUGSLEY: Under the treaty, they apparently get wider conditions, even if they did not ask for them.

Mr. FOSTER: They do not get wider conditions so far as customs duties are concerned, and the channel by which goods come in and the regulations and laws they must obey.

Mr. PUGSLEY: Then why does not the hon. gentleman simply ratify and approve the treaty? Does he think to put in a qualification that is not contained in the treaty?

Mr. FOSTER: That is another question, which I will take up later. But I have nailed this part down. Do hon. gentlemen agree that under this legislation, we accomplish absolutely what I have said—that they have the same privilege in relation to direct shipment cut through New York or any other port in the United States that they have had for fifteen years?

Mr. MACDONALD: Why should you want to bring them there?

Mr. FOSTER: Let us first agree on what we agree upon.

Mr. OLIVER: I do not read it as the hon. gentleman has interpreted it. If I understand it correctly, it expressly excludes all possibility of bringing goods by way of New York. I am not questioning the right or wrong of it, all I say is that I do not agree with this reading. The Bill provides:

> The goods enumerated in schedule B to the said agreement shall only be entitled to the advantages or concessions provided for by this Act when such goods are conveyed by ship direct without transhipment into the sea or river port of Canada from any one of the respective colonies to the said agreement.

Mr. FOSTER: Where does the hon. gentleman find that?

Mr. OLIVER: In section 5.

Mr. FOSTER: My hon. friend is discussing something quite different from that which I am discussing. Section 5 speaks of a contingent power which may be developed and called into action. I will explain that. We are not discussing the shipping clause, or direct shipment as a condition of preference.

Mr. OLIVER: I understood we were. Will the hon. gentleman say what section is under discussion?

Mr. FOSTER: Section 3, as my hon. friend should know. That is quite different from section 5, which takes up another branch of the subject which we shall come to a little later.

Mr. OLIVER: Just on that point: The word 'direct' is used in section 3?

Mr. FOSTER: Yes.

Mr. OLIVER: Is it not a fair and reasonable conclusion that the word 'direct' in section 3 has the same significance as it has under section 5?

Mr. FOSTER: No, it is not reasonable to suppose that, because it is not true; if the hon. gentleman will allow me——

Mr. OLIVER: I will allow my hon. friend, if he will explain why it is not true.

Mr. FOSTER: I did not know that I should be under the necessity of explaining to a former minister of the Crown so elementary a proposition as that.

Mr. OLIVER : With all due respect, I will insist on the explanation.

Mr. FOSTER : If I must, I must; and I will. If the hon. gentleman will turn to the Customs Tariff, 1907, and will read section 3 of that Act which has been in operation since 1907, and the principle of which has been in operation for the last fifteen years, he will find exactly the same wording.

(1) The rates of customs duties, if any, set forth in column 1, 'British Preferential Tariff,' shall apply to goods the product or manufacture of British countries when imported direct from any British country.

And in that tabulation are included: Bermuda, the Bahamas, Jamaica, Turk's Island, Leeward Islands, Windward Islands, Barbadoes, Trinidad, and British Guiana. Now, under the tariff law as it is to-day, direct shipments are not confined to shipments by vessel from port to port, but 'direct shipment' is defined in the Customs Act. I refer to that Act and read section 50, part of which is as follows:

The Governor in Council may provide that in the cases and on the conditions to be mentioned in the Order in Council, goods bona fide exported to Canada from any country, but passing in transitu through another country, shall be valued for duty as if they were imported directly from such first mentioned country.

This is, a direct shipment cut as defined under the customs law may be direct from the port in Barbadoes to St. John, or may be direct from the port in Barbadoes to Montreal coming through New York or any other portion of the United States.

Mr. PUGSLEY : Will that allow the goods to be placed in warehouse in New York, as the Minister of Customs stated yesterday? Must not the goods be in transit practically constantly?

Mr. FOSTER : Just what we said yesterday.

Mr. PUGSLEY : Then, will the hon. gentleman allow me to ask——

Mr. FOSTER : Not just yet. I will read the rest of this, and I will touch on the point the hon. gentleman has raised. Here is the proviso:

Provided that goods that have been entered for consumption or for warehouse——

That is, in the United States.

—or which have been permitted to remain unclaimed, or which have been permitted to remain for any purpose, in any country intermediate between the country of export and Canada, shall not be considered as in transitu from such intermediate country, but shall be treated as goods imported from such intermediate country, and be valued and rated for duty accordingly.

To make a specific instance. A consignment is made from Barbadoes to Montreal via New York. It is taken by ship to New York. It is unloaded from the vessel upon the car on the wharf and is sent by that car in bond through to Montreal. That is a direct shipment. But if the man who takes it to New York enters it under the United States regulations and puts it into warehouse—

Mr. PUGSLEY: In bond.

Mr. FOSTER: In bond, double bond, if you like ; as much bond as you like. When that shipment starts again from that place it then is a direct shipment under the Customs Act from New York into Canada and not from Barbadoes into Canada and therefore the duty is assessed on the value in New York and the duty is paid on the same scale that American goods coming in would pay.

Mr. MACDONALD: Does my hon. friend propose to put a section in this Bill that would make that section of the Customs Act applicable to this particular section?

Mr. FOSTER: In regard to what?

Mr. MACDONALD: Is it proposed to put in this Bill a section which would make section 50 of the Customs Act apply to this particular Act? Otherwise it would not be deemed to apply.

Mr. FOSTER: I have that in section 3. That is what the whole controversy has been about for eight or ten hours.

Mr. MACDONALD: My hon. friend seems to think that because he uses the words to be found in the Customs Tariff Act which are interpreted by the accompanying Customs Act that the accompanying Act applies to this without any reference to it. I question whether it would. The minister uses the words 'imported direct from any British country.' In the Customs Tariff Act the additional words 'into Canada' are not found and he reverts to the Customs Act in order to interpret the Customs Tariff Act and says that therefore clause 50 of the Customs Act must necessarily apply to this Bill. He should put in an additional clause to make it apply he would then have his argument complete.

Mr. FOSTER: I think the argument is complete when this legislation is passed. I take exception to the statement that in the Customs Tariff Act in 1907, there are not the words 'into Canada.' It says in section 6 'when such goods are imported into Canada.'

Mr. MACDONALD: I thought the minister was quoting from sub-section 1.

Mr. FOSTER: Sub-section 1 is simply a schedule as part of section 3 and defines

the different countries that have British preferential treatment. Section 3 applies to that and all that are scheduled under that. I think I have made that pretty clear——

Sir WILFRID LAURIER: I do not think the minister has made it clear. In our legislation 'direct' in the Customs Act means direct; it means shipment from one port to another port. If an article exported to Canada does not come directly to Canada but passes through another port it is not a direct shipment, and section 50 gives to the Governor in Council the power of causing certain shipments passing through another country into Canada to be treated as direct shipments. The Act says:

> The Governor in Council may provide that in the cases and under the conditions to be mentioned in the Order in Council, goods bona fide exported into Canada from any country but passing in transit through other countries shall be valued for duty as if they were imported direct from such first mentioned country.

That is to say, the Governor in Council has the power, by Order in Council, to give to certain goods which do not come direct to Canada permission to be treated as though they had come directly. That is an exception, it is not the law. The Governor in Council has simply the right to give to an indirect shipment the same privilege as are given to a direct shipment.

Mr. FOSTER: If my right hon. friend has any argument, it amounts to this: You are passing legislation now with reference to this agreement. By the law, if this becomes the law, the word 'direct' is put in and it must come as a direct shipment. That is the statement of my right hon. friend and that it is not a direct shipment when it comes through New York. That is my hon. friend's contention.

Sir WILFRID LAURIER: No.

Mr. FOSTER: And he says it can only be made a direct shipment coming through New York when the Governor in Council has acted on the authority given in section 50.

Sir WILFRID LAURIER: Yes.

Mr. FOSTER: The Governor in Council has acted on the authority given in section 50. The Order in Council allowing for, making valid the carrying out of that kind of direct transfer or shipment has been in operation for almost innumerable years in this country, ever since we had a bonded system, and whatever change is made in the tariff, whatever change is made in a piece of legislation as regards duties upon goods, the Order in Council covers everything, it is the general Order in Council.

Sir WILFRID LAURIER: No.

Mr. FOSTER: Does my right hon. friend contend that we have got to sit down now and make another Order in Council covering this before they can get a direct shipment?

Sir WILFRID LAURIER: I will call my hon. friend's attention to that. I understood my hon. friend a moment ago to say that shipments under such circumstances, coming through New York, were equivalent to direct shipment. I point out to him the fact that it is not the law, but that the Governor in Council may give to certain shipments, under conditions to be determined by him, whether shipped by New York, by Boston, through the whole of the United States, or by any other country for that matter, the same privileges as are given to direct shipments. But that is an exception to the law. It is a special power vested in the Governor in Council. But under the general law a direct shipment is a direct shipment. As I understood my hon. friend, the Governor in Council had long ago given to shipments coming from the West Indies through the United States the privileges given to direct shipment.

Mr. FOSTER: I do not want my hon. friend to confine that to the West Indies. That is a general part of our customs system which has its power under the law, and which is carried out through regulations designed to conduct properly business under the law.

Sir WILFRID LAURIER: The Governor in Council decided that when certain shipments came through the United States, under certain conditions defined by him, those shipments should be given the privileges of direct shipment and also the British preference. That is the power of the Governor in Council. This bill is to ratify an agreement made between two parties, and it has to be ratified as it is. If we were to depart by legislation from the agreement which has been made, our own legislation would have to be ratified and accepted by the other side. This is the way the bill reads now:

> There shall be levied, collected and paid, after the said agreement is in accordance with its terms brought into operation, and so long as it remains in force, on all goods enumerated in schedule B to the said agreement being the produce or manufacture of any of the colonies parties thereto, when such goods are imported direct from any British country into Canada or taken out of warehouse for consumption therein if imported as aforesaid, duties of customs.

Does my hon. friend believe that when this has been ratified by this Parliament,

and also by the legislatures of the West Indies, the terms of this statute can be amended thereafter by Order in Council? That is the point, and it is a very dubious one.

Mr. FOSTER: To my mind it is as clear as possible. I am inclined to think that my right hon. friend does not exercise his usual perspicacity of judgment in this case or he would see that when this bill goes into effect, and goods begin to come into this country by the machinery of the customs legislation of the country, these Orders in Council being germane and necessary parts of the customs legislation have full force in respect of such goods. They exist, the system is in operation. You do not have to call it into operation for this particular purpose, when this legislation is passed. It is there, and this legislation comes under it and goods go through the channels already provided, channels which have been well used for the last 30 or 40 years, ever since, in fact, we have had the transit bonding system.

Mr. EMMERSON: I do not exactly understand this matter. This legislation, I presume, is brought before this Parliament with the view of carrying into effect the terms of the agreement entered into by the Government of Canada with the several colonies. My hon. friend the Minister of Trade and Commerce stated last night that the people of the West Indies, whom he did not think were so affluent as the people of Canada, had pinched themselves in order to secure from the Government of Canada certain privileges. They pinched themselves to secure the right to export to Canada all the goods enumerated in schedule B:

> Being the produce or manufacture of any of the colonies parties thereto, when such goods are imported direct from any British country into Canada or taken out of warehouse for consumption therein if imported as aforesaid, duties of customs——
>
> At the rate of four-fifths.

And so forth. For that right they pinched themselves by making certain concessions upon their part. My hon. friend the Minister of Trade and Commerce by his legislation is, in my judgment, seeking to further pinch them in limiting and restricting the rights given to them under this second paragraph of the agreement.

Mr. PUGSLEY: Changing the agreement.

Mr. EMMERSON: Changing the agreement, limiting and restricting it to importations direct. Now, I can quite understand an extension of the law of the customs with respect to the preference given under the Fielding tariff. It must be understood that that preference was given voluntarily, not as the result of an agreement or of an arrangement, by Canada to Great Britain, and to the other colonies. It permitted them to export into this country certain goods with certain privileges and preferences, and in order to make them fully understood there were certain enactments at that time governing the methods of such importations under the provisions of that tariff Act. My hon. friend the Minister of Trade and Commerce has read the law which thus applies, but he goes further and now seeks to say that the word 'imported' in the second paragraph of the agreement means imported subject to the conditions of that former Tariff Act which applies to the preference granted to Great Britain and to her colonies. I do not understand the word 'imported' to have any such restricted meaning. I hold that those colonies have the right to import into this country with those preferences attached regardless of whether they come directly or indirectly. Therefore, when my hon. friend introduces these provisions into the third paragraph of his Bill limiting such importations to direct importations, he is travelling beyond the agreement which he solemnly entered into. I submit, Mr. Chairman, that if this Parliament puts in these restrictions, we are breaking faith with those colonies; we are travelling beyond our right and our privilege. We have complained of the manner in which the United States have treated agreements solemnly entered into. They have been charged as a nation with breaking faith with all other countries, and yet to-day in Canada we propose to treat the people of the West Indies in the very same way. I know my hon. friend is in a very humiliating position with respect to this matter. He neglected apparently to secure those limitations when he entered into this agreement, and now he comes before this Parliament and by legislation seeks to withdraw from the people of the West Indies privileges which are theirs under the agreement into which he entered. It is a humiliating position. I think it would be better for my hon. friend to say this: We will submit to the law, we will ratify the agreement, and that is all that this Bill is called upon to do. My hon. friend has attended to his part of the duty. He has secured the concurrence of the delegates from the West Indies to a certain trade arrangement. He, on his part, offered to do certain things for them and they on their part, undertook to do certain things in order to secure from him these concessions. They gave us these concessions in their markets in consideration of our offering to give them certain rights. Yet, after all that has been done, my hon. friend comes down to Parliament and asks the support of Parliament for his proposal to incorporate a provision in this Bill which is not contained in the treaty arrangement to which he was a party on

behalf of Canada. The people of Canada do not desire that we shall in the slightest degree break faith with the West Indian colonies. Under the agreement, if we simply ratified it, the goods enumerated in schedule B, which were the produce or manufacture of any of the colonies named, would have certain preferential rights when brought into this country, no matter how they were brought in, no matter from whence they came, whether they came direct or otherwise. My hon. friend solemnly agreed to that on the part of Canada at the conference which was held in Ottawa last year. Now, he seeks to withdraw from that and he seeks to have this Parliament say: No, the privileges which were granted to you under section 2 of the treaty cannot be conceded by Canada unless you ship direct into Canada. I certainly think my hon. friend has not given an explanation that will be found satisfactory. He has given an explanation that harmonizes his proceeding with the law of the country, but it is not in harmony with the well-understood interpretation that should be given to international agreements or treaties. He is seeking now to take advantage. My contention is that this committee should not seek to change, or modify, or restrict, or alter, even to the crossing of a t or the dotting of an i, the agreement into which Canada solemnly entered.

Mr. BORDEN: It seems to me that the matter under discussion by the committee can be summed up in a very few words. This is a Bill to approve of an agreement between Canada and certain of the West Indian Islands, and it is necessary under the terms of that measure to make certain arrangements in connection with the customs law of the country. At the present time goods imported from the West Indies are regarded as direct importations if they are landed in a foreign country, but not warehoused there and when shipped into Canada. The Bill now before Parliament must be construed in regard to the customs laws of this country as they exist at present, and the Orders in Council made under the provisions of the Customs Act and having the force of law. The position, therefore, at present is, that, under the laws of Canada, including Orders in Council having the force of law, goods coming from the West Indies to New York, for example, brought direct to Canada, without being put into warehouse, are regarded as direct importations. The object of this agreement is to vary the rate of duty to be imposed upon goods coming from the West Indies to Canada. The object is not to vary the law in any other respect. Goods coming into Canada at the present time under a certain rate of duty in the past have been regarded as direct importations. Goods coming into Canada in future under the rates of duty and arrangements provided by this agreement shall equally be regarded as direct importations. These acts are all cognate to each other and must be construed together. I therefore respectfully suggest that the Bill means exactly the same thing as if, after the word 'direct' in the seventeenth line of the Bill, you had included the words 'under the customs laws and regulations of Canada as at present existing.'

Mr. DEVLIN: Then what becomes of section 9 of the Bill?

Mr. BORDEN: It remains part of the Bill.

Mr. DEVLIN: Exactly, but it is inconsistent with what my right hon. friend is suggesting.

Mr. BORDEN: I think it is not inconsistent; at all events, I am not up to the present time aware of any reason why it should be regarded as inconsistent, excepting what my hon. friend has urged.

Mr. DEVLIN: If my right hon. friend will allow me, section 9 reads in this way:

> The operation of all laws inconsistent with the giving to the provisions of this Act and of the said agreement their full effect shall from time to time be suspended to the extent of such inconsistency.

My right hon. friend has just said that if there is any provision inconsistent with the tariff law, the tariff law remains in force. That is a direct contradiction of section 9 of the Bill.

Mr. BORDEN: I was not aware that I had used any such expression as that which my hon. friend has mentioned. I simply said that if we imported goods from the West Indies as direct importations under the statute and under regulations that have the force of statutes, this legislation does not change the law or usage in that regard.

Mr. DEVLIN: But if it does?

Mr. BORDEN: But it does not. If it did we would consider it, but, as a matter of fact, it does not.

Mr. DEVLIN: Why put in section 9 at all?

Mr. BORDEN: There are changes which make such a provision desirable, but there is no change in this respect. I am dealing with section 3 at the present moment.

Mr. EMMERSON: If this Bill simply contained a clause ratifying and confirming an agreement, such as the Japanese treaty, and then set forth the agreement, does my right hon. friend contend that under sec-

tion 2 of the agreement the produce or manufacture of these respective colonies imported into Canada would be imported without any reference to the agreement, but subject to the laws and regulations of Canada with respect to tariff matters? I want simply to understand my right hon. friend's contention.

Mr. BORDEN: I do not know that there is any very great advantage in dealing with a case that we do not have before us. The agreement relates to a particular customs duty, and the existing law changed in this respect, and would apply.

Mr. DEVLIN: If the tariff laws must apply, the agreement would only have such effect and force as would be consistent with the tariff laws of Canada, and that being so, section 9 is in contradiction when it says, that the tariff law shall be inconsistent if it is not consistent with your arrangement.

Mr. BORDEN: A clause is very often inserted for greater certainty; but this has quite sufficient application under the first eight clauses of the Bill, without seeking to give it any such application as my hon. friend would.

Mr. LOGGIE: Assuming for argument that Musson & Company of Barbadoes ship a cargo of sugar to their New York branch and place it in a bonded warehouse. If Musson & Company take out one-half of that cargo for United States consumption, according to the law of the United States, and forward the remaining half to Canada, if they were called upon to pay any greater duty on that one-half cargo than if it had been sent originally to Canada, does not the Minister of Trade and Commerce think that the Government of the Barbadoes would consider it a grievance, because by section 50 you limit the ordinary rules of bonding goods?

Mr. LALOR: What objection would there be if they did break bulk and leave half the cargo in the United States and sent half of it to Canada?

Mr. LOGGIE: By section 50, they would not then be entitled to the four-fifths rate of duty. Would not the people of Barbadoes consider that was breaking the terms of the agreement which says that these goods can come into Canada, without the word 'direct' being inserted as it is in this Bill? The treaty refers to goods imported into Canada and that sugar would be imported into Canada, even though it were entered in a bonded warehouse in New York and afterwards sent to Canada.

Mr. BEATTIE: They could ship half of the cargo to Canada and half of the cargo to New York in the first place.

Mr. EMMERSON.

Mr. PUGSLEY: The Minister of Trade and Commerce seems to be as uncommunicative to-day as he was last evening. A question is put him by the hon. member, who speaks as a business man for the business men of this country who import from the West Indies, and that question is entitled to an answer. The hon. gentleman remains dumb when such an important question is put, and he asks us to pass blindly through this House a Bill which we say alters the terms of a solemn treaty. The only answer given by my hon. friend is, that the gentlemen from the West Indies never thought of raising the question. Perhaps these gentlemen thought that if they raised the question the Minister of Trade and Commerce would consult his expert officers, who would tell him that we could only agree if the goods were brought direct to Canada, and so these astute gentlemen from the West Indies said nothing about it, and they have to-day a trade arrangement under which they are entitled to warehouse their goods in New York or Boston and send them forward to Canadian customers, upon the payment of four-fifths of the regular rate of duty. That right the Minister of Trade and Commerce seeks to take away from them in violation of the terms of the treaty. Does the hon. gentleman think he ought to do that without going back to the West Indian representatives and asking them if they would consent to the terms of the treaty being altered? My hon. friend learning from the Department of Justice that that would be contrary to the privileges which the West Indian colonies enjoy today under the British preference, has drawn a Bill which would alter absolutely the terms of that agreement, and without consulting the representatives of the West Indian colonies he is asking this Parliament to alter the agreement into which he solemnly entered. I do not think we ought to do that. The terms of the agreement are:

> This agreement shall be subject to the approval of the Parliament of Canada and of the legislature of the above-mentioned colonies.

All that we should do, so far as this treaty is concerned, if we are going to ratify it, is to be delare that we do ratify and approve of it, just as we did in the case of the treaty with Japan. If the treaty does not meet with the approval of this Parliament or of the Minister of Trade and Commerce after he has considered the matter, let him say so and ask Parliament to reject it, and then enter upon negotiations for the purpose of getting the treaty amended in this particular; but do not let him come to Parliament and tell us in one breath that he is asking Parliament to

approve of the treaty, and then ask us a little later on to alter in most material respects the terms of the treaty which the representatives of the British West Indian colonies have entered into with representatives of this Government. I wish to discuss for a few minutes the word 'direct' which is included in section 3 of the Bill. The extent to which the treaty goes is:

On all goods enumerated in schedule B to the said agreement, being the produce or manufacture of any of the colonies parties thereto.

These are the words which my hon. friend has had inserted in the Bill:

When such goods are imported direct from any British country into Canada or taken out of warehouse for consumption therein if imported as aforesaid, dutes of customs——

—shall be so and so, as provided by the treaty. Am I right in understanding my hon. friend the Minister of Trade and Commerce to say that under section 50 of the Customs Act, the Governor in Council has given a definition to the words 'direct importation'?

Mr. FOSTER: That is the section which relates to importations through foreign countries, and it is in carying out the powers conferred by the section that Orders in Council have been made as to regulations.

Mr. PUGSLEY: Quite so. I think the minister will agree with me that that gives absolutely no power, where goods do not come directly, but through a foreign country, to the Governor in Council to give an interpretation of the words 'direct importation,' reducing duties in consequence; it simply applies to the valuation of the goods which may be made for the purposes of duty. Let me read section 50:

The Governor in Council may provide that in the cases and on the conditions to be mentioned in the Order in Council, goods bona fide exported to Canada from any country, but passing in transitu through another country, shall be valued for duty as if they were imported directly from such first mentioned country: Provided that goods which have been entered for consumption or for warehouse, or which have been permitted to remain unclaimed, or which have been permitted to remain for any purpose, in any country intermediate between the country of export and Canada, shall not be considered as in transitu through such intermediate country, but shall be treated as goods——

Committee suspended and House resumed.

ROYAL ASSENT.

A message from the Deputy of His Royal Highness the Governor General by the Gentleman Usher of the Black Rod:

Mr. Speaker,—The Deputy of His Royal Highness the Governor General desires the immediate attendance of this House in the Chamber of the hon. the Senate.

Accordingly Mr. Speaker, with the House, went up to the Senate Chamber.

And the House being returned.

Mr. SPEAKER: I have the honour to report that the House having attended His Honour the Deputy of His Royal Highness the Governor General in the Senate Chamber, His Honour was pleased to give, in His Majesty's name, the Royal assent to the following Bill:

Respecting the purchase by the Government of the Grand Trunk Pacific Company's three per cent bonds.

WEST INDIAN TRADE AGREEMENT.

House resumed in Committee on Bill repecting an agreement between Canada and certain of the West Indian Colonies.

Mr. PUGSLEY: I was saying a few minutes ago that section 50 of the Customs Act does not allow the Governor in Council to give a definition of the term 'direct importation' except for the purpose of valuation. It may be said that the late Government was in error in allowing shipments from the West Indies to be brought in through the United States under the preference. I am obliged to admit that. I always took a different view. It was done long before I became a member of the Government. But, now we are dealing with the treaty, and we ought to consider just what powers the statute gives, and ought to govern ourselves accordingly. The matter is of a great deal of importance to the Maritime provinces, more especially because we believe the only way in which we can build up in the near future a satisfactory service between Canada and the West Indies is by requiring that the goods shall be shipped direct to Canadian ports. And, when the statute says that goods must be imported direct, it means, I take it, that the goods shall not be imported through a foreign country. As I have said, section 50 simply provides that the Governor in Council may pass an order providing that if the goods pass in transitu through a foreign country, they shall be valued for the purposes of duty as though they were imported direct. The statute draws a clear distinction between what is directly imported and what is indirectly imported—the direct importation is one that comes direct to Canada, and the indirect importation is one that comes through a foreign country. All that the statute provides is that the Governor in Council may order that goods imported through a foreign country shall be valued for duty at their value in the country of

origin, and not their value in the United States. It does not say that for the purpose of fixing the rate of duty they should be treated as a direct importation; it is confined strictly to the point of valuation. I do not think that the Minister of Trade and Commerce, when he interprets that clause, will say that I am in error. I do not think that any lawyer in this House will say that I am in error. The Department of Customs, perhaps in order to encourage West India trade through the port of New York pending the establishment of proper steamship connection with Canadian ports, has allowed these indirect importations. That is no reason why we should continue to wink at this practice now that we are seeking to get a direct service between Canada and the West Indies. But, as I have said, this Bill, if it becomes law, will entirely alter the arrangement made between Canada and the West Indies. While I am on my feet, let me call attention to another anomaly in this Bill. It provides that these goods from the West Indies are to be entitled to this preference, not merely if imported direct from the West Indies, but if imported from any British country. Why is that? Suppose that goods are taken from the West Indies to England, warehoused there, and then brought from England to Canada, why should they be entitled to the same rate of duty? Why is it not limited to goods coming direct from these colonies? Why, for instance, might the wholesale merchants in Newfoundland, which colony is no party to this agreement, be allowed to import goods from the West Indies, thereby encouraging that trade, and then send these goods to Canada under the reduced duty? If the non. gentleman is going to qualify the terms of the treaty in the manner proposed, why extend it to other British countries which are not parties to the agreement? Evidently the language has been taken from the statute relating to the British preference and extending to the West Indies, without having any regard to the altered circumstances arising out of this being a specific agreement made with these West Indian colonies. There is another extraordinary feature of this Bill that, when the time comes, under section 5——

Mr. FOSTER: Might I suggest that my hon. friend should confine himself to the question under consideration? Surely, after having used up so much time as we have, when we come down now to a simple discussion, and with a view to passing this clause, he cannot jump from clause to clause.

Mr. PUGSLEY: I would like to meet the hon. gentleman's view. He ought not to complain about two days being spent in the discussion of these matters, more especially when he to-day is coming in with an amendment of a most important character, made in view of the objections which have been raised on this side of the House, an amendment to make provision in regard to goods which would come in under schedule C, in regard to which the Minister of Customs, who is supposed to look after this matter, gives a most extraordinary explanation, and gave this Committee to understand that the omission had been made deliberately and professed to give a good reason for it. The Minister of Trade and Commerce comes to-day and says that after thinking the matter over he agrees with the observations made on this side of the House and finds it necessary to amend the Bill. The hon. gentleman's impatience should not lead him to rush the Bill through, because, as I have said, it is of great importance and ought to be considered carefully. If it is the hon. gentleman's desires that I should confine myself just now to the section under discussion, he will not complain if, later, I deal with the phases which will arise on consideration of section 5. Then, I will just refer very briefly to paragraph (b) of section 3. I do suggest that my hon. friend, having had a night to consider the matter, and having determined to amend the Bill as he has indicated, and has to provide that, so long as the British preference continues, goods from the islands which are parties to this treaty shall come in under the terms of that preference, he ought to state to this Committee whether it is or is not, the policy of the Government to continue the British preference. I think it desirable that the people of this country should know whether it is intended to continue the policy which was inaugurated by this country fifteen or sixteen years ago. It is important because of the fact that one of the great political parties in England has been making the assertion that they learn from Canada and the other overseas dominions that have granted a preference that it cannot be expected, speaking particularly of Canada, that Canada will continue to give this preference unless the Mother Country gives a preference in return. That statement is made by English statesmen and they profess to give as their authority the views of Canadian statesmen. Surely we have a right to know, when asked to consider the advantages or otherwise of this treaty, whether or not Canada is going to barter with respect to this question of British preference or whether we will continue what we gave voluntarily fifteen years ago to the Mother Country. That policy has been to the advantage of Canada as well as of the Mother Country and it will continue to be to the advantage of both countries. The people of

Canada, the people of the Empire have a right to know the intention of the Government.

Mr. EMMERSON: I raised the point as to our bona fides in attempting to legislate as proposed by my hon. friend in this Bill. It is a matter of supreme importance. As I understand it this is the initial movement in an attempt to have mutual preferential arrangements between the overseas dominions and in so far as the attempt has been successful in this instance I certainly would desire to congratulate my hon. friend, but in our empire-building of tariffs it would be desirable that we should start right and that there should be at least bona fides in any arrangements that may be entered into. The Minister of Trade and Commerce has adverted to the fact that the West Indian people pinched themselves in order to enter into this agreement, in order that they might promote intercolonial trade between their colonies and Canada—a very worthy aim and no doubt worthy of some sacrifice. But if in addition to that we seek to pinch them further by our legislation it certainly would be unfair and if we are to have tariff arrangements, mutual preferences among the oversees dominions of the Empire and with the Mother Country, what we agree with them, what we undertake to do for them we should fulfil to the full letter and spirit of the law. I remember a few years ago when under the Washington treaty we thought a boon had been secured for Canadian exports to the United States, particularly with reference to fish. Under the terms of that treaty we had hoped and we expected to have certain fish admitted free or at least on favourable terms in the United States market, but the Americans, by certain tariff regulations and enactments, imposed on the cans and packages which contained the fish heavy burdens which absolutely nullified the benefits that we thought we had secured under treaty. We in Canada to-day are practically doing the same thing with respect to the imports from the British West Indies. The ordinary exporter in any of these West Indian Islands, reading this agreement, would interpret it as meaning that no matter from what country they were shipped or under what circumstances the goods which were the product or manufacture of these islands could come into Canada with certain preferential privileges. That is in accordance with the terms of the agreement. He is told that the agreement gave him that privilege, but the tariff laws and enactments of the Canadian Parliament restrict and limit it and the boon for which he made a sacrifice and for which he pinched himself is not the boon he thought it would be, it is something else, it has a string to it, it is limited. It is left uncertain whether the four-fifths is to be four-fifths of the maximum tariff of the country or of the minimum tariff; that would very materially affect the duty necessary to be paid on that importation and so affect the advantage of this market to the exporter of that product from these islands. I submit that the people of the West Indies would be justified in howling if you will, as we howled some twenty-five or thirty years ago with regard to the attitude of the Americans in connection with our fish exports into their country. It was a matter of serious grievance and as a result we were led in this country to believe that the Americans as a nation did not recognize or observe their treaty obligations—and the greatest imputation that we make against the people of the United States is that they do not fairly and honestly observe their bond agreements. I believe that the result of the elections of 1911 was largely due to resentment against the people of the United States for the treatment which they had accorded to Canada in the past.

Mr. SHARPE (Lisgar): Hear, hear.

Mr. EMMERSON: My hon. friend says hear, hear. I am glad he does. Let us not then place ourselves as a Canadian nation in the same attitude and let us not go down to the same level in the observance of our agreements. I think my hon. friend would act wisely if he amended the Bill so as to read that this Parliament approves of the agreement which he has solemnly entered into and let that become law and then the rights of the West Indian people can be determined under that agreement, determined as they expect them to be, with certainty. They would then have whatever privileges the laws of Canada gave them, and I venture to say the Exchequer Court of Canada would determine that any importation of the products or manufacture of any of these colonies would have the privilege of being imported into Canada no matter whence they came or how or why or by what method they appeared on Canadian soil. But if this legislation is passed, then the rights which were created under this agreement or treaty are shrivelled, and are restricted to mean that the goods must come direct and be subject to certain limitations to be found in our tariff regulations. It goes beyond this particular case, because, if Canada is to establish for herself a reputation of that kind, it will only lessen the possibilities of entering into relations with other countries. I can well understand Australia and New Zealand making answer to my hon. friend to the effect, 'Oh, it does not make any difference what agreement we enter into with

you; you go back to the Parliament of Canada and pass a law which restricts our privileges and curtails the advantages granted to us under such an agreement.' I think it is placing Canada unfairly before the Empire and before the world. We talk about Empire rights and privileges, about the advantages of having Empire trade and mutual preferences, but surely we are making a sad beginning when, such an arrangement having been entered into, we seek by legislation here to withdraw in the slightest measure any privileges which, for a consideration, we have granted to the colonies named in that agreement. I submit, Sir, that the hon. Minister of Trade and Commerce should amend this Bill in the way indicated, and if afterwards he wants to make a further arrangement with the West Indies, if they are willing, he can approach the respective governments of those colonies and have the arrangement carried out in accordance with what he terms the law in connection with the regulation of the tariff in Canada.

If those tariff regulations and tariff laws were well understood by the delegates of those colonies, as my hon. friend says they were, why was there no reference to them in that agreement? It would have been easy for my hon. friend in framing and agreeing to paragraph 2 to have said: 'Imported subject to the tariff laws and regulations of Canada.' But the use of the mere word 'imported' does not imply that the importations are subject to any conditions. It is unrestricted, and means that they are not subject to any regulations of which the delegates were not advised, nor to any internal enactments of the Parliament of Canada with which they were not familiar and to which they had not assented. It means that importations into Canada are entitled to have the benefit of a preference to the extent of four-fifths of the duty that is paid by any foreign country on like goods. I ask this committee to hesitate before they stamp this legislation with the mark of their approval, because it is not bona fide legislation; it is a breach of faith, and it is wrong as against ourselves as well as against those West Indian colonies.

Mr. McKENZIE : When the hon. Minister of Trade and Commerce began his explanations at the opening of the House to-day, he put a question to himself which I thought he was going to answer. But I noticed that in the course of his observations he forgot to answer it. He asked 'can the legislature change the agreement?' That is the question he put to himself. Now there is in the agreement itself a provision which would to some extent answer the minister in that regard. The seventh clause of the agreement says:

> This agreement shall be subject to the approval of the Parliament of Canada and of the legislatures of the above-mentioned colonies, and of the Secretary of State for the Colonies, and upon such approval being given it shall be brought into operation at such time as may be agreed upon between the contracting parties by a proclamation to be published in the Canada Gazette and in the official gazette of each of the said colonies.

It would have been interesting to hear the minister give his own view upon that point, but as an answer to the question which he put to himself I would submit that all that is contemplated by that agreement is that the West Indian legislatures following this legislature shall ratify the agreement. In the strictest sense of the words this is not an international agreement. It does not come within the terms of international law as we understand it, because in the application of that law we can hardly say that Newfoundland and the West Indian Islands and Canada are nations within the meaning of the terms of international agreements. It seems to me that though each one of those countries is under the one Crown, the powers of this Parliament representing the Crown are just the same in regard to this agreement as if the powers of a different Crown were represented by the legislatures of the West Indies. Therefore, putting a proper interpretation upon international law, we must approach the confirmation of this agreement as if it were an agreement between ourselves and the United States of America or France or any other foreign country. If then, that question were put to me, I would say at once that this legislation cannot in the slightest degree change the terms of that agreement without the agreement going back to the original contracting parties to have those changes ratified, and when the changes are made, it could come back here for ratification. It is a well-known rule of international law that the terms of a treaty must over-rule all laws of either of the parties to it, and that the terms of an agreement will prevent any parliament or legislature of the countries that are party to it from making any laws which will conflict with the agreement or take away any of the rights of the parties. This, as international law, is going to a very great length, but it is the condition that prevails in this world. We have a very recent and striking illustration of the application of this law as between the United States and Japan. I mention this as being well-known to most lawyers, and, I am sure, well-known to the hon. gentleman in charge of this Bill. A treaty of comparatively recent date has been made

between the United States and Japan and one of the terms of the treaty was that the children of Japanese coming into the United States should be educated as pupils of the common schools of the different states of the American Union; that is that the children of Japanese were to be dealt with in that regard the same as the children of Americans. The state of California passed a law, during the currency of the treaty, making it obligatory upon the children of Japanese to attend separate schools of their own and providing that separate schools should be furnished for them, an enactment which was in contravention of the terms of the treaty. It is a well-known fact that a great deal of disturbance was caused in Japan and the United States over this law and negotiations and diplomatic exchanges took place between the two countries with the result that the treaty prevailed, the state of California was obliged to allow its law to remain inoperative or to repeal it—I forget which—and the terms of the treaty were permitted to have full force and to be fully carried out by the United States. This is the most recent case, it is a matter of which we all have knowledge and the principles involved in it establish the paramount rights that are obtained under an international agreement of this kind. While we are not different nations, a treaty here is exactly the same as it was between the United States and Japan. I therefore, submit to you, Mr. Chairman, and to the hon. Minister of Trade and Commerce as an irresistible conclusion that the question which the hon. gentleman put to himself must be answered in the negative; that is that this legislation cannot in the slightest change the terms of the agreement. If we cannot change this agreement in any way, are we attempting to change it by the legislation before the House? I shall take the privilege of reading clause 2 of the agreement to see whether or not this Bill changes it. But, before reading that term of the agreement, I wish to point out the correctness and force of the question that was put to the minister by my hon. friend from Northumberland, New Brunswick (Mr. Loggie). It is a question which is right in point, practical, and must of necessity be answered satisfactorily one way or the other before this Bill goes through. My hon. friend from Northumberland pointed out that under clause 2 of the agreement goods could be imported into New York, for instance, under the rules and regulations for importations into that state, part of the goods could be sold in the United States and such of the goods as the owner thought proper to tranship could be sent on to this country and still be within the provisions of the Bill as it now reads. But under the construction put upon the agreement by the minister and the construction that he put upon the Act, that freedom of trade would be denied to a West Indian merchant, for, under the agreement as construed by the minister, the moment he takes fifty cents worth of goods out of a car or box, or whatever it may be, he loses the right to come into this country at less than the full duty. That condition arises under section 50 of the Customs Act upon which the minister relied. The minister and the Prime Minister say that the customs and tariff laws of Canada automatically apply to this case. If they automatically apply then section 50 of the customs law, being chapter 48 of the Revised Statutes, 1906, applies here, and under the proviso of section 50 it would be impossible to forward these goods to the United States and a part of the goods to Canada without paying the full duty. Section 50 provides that:

> The Governor in Council may provide that in the cases and on the conditions to be mentioned in the Order in Council, goods bona fide exported to Canada from any other country, but passing in transitu through another country, shall be valued for duty as if they were imported directly from such first mentioned country:

Then comes the proviso:

> Provided that goods which have been entered for consumption or for warehouse, or which have been permitted to remain unclaimed, or which have been permitted to remain for any purpose, in any country intermediate between the country of export and Canada, shall not be considered as in transitu through such intermediate country, but shall be treated as goods imported from such intermediate country and be valued and rated for duty accordingly.

Now, keeping that in mind as the law, according to the interpretation of the minister and of the Prime Minister, and reading the agreement in the light of it, I would like to know what understanding the West Indian people had with respect to the rights which they thought they were obtaining under this agreement. Leaving that law out and considering it as being a part of this agreement let me read clause 2:

> On all goods enumerated in schedule B, being the produce or manufacture of any of the above-mentioned colonies, imported into the Dominion of Canada, the duties of customs shall not at any time be more than four-fifths of the duties imposed on similar goods when imported from any foreign country.

There is nothing in that to say that you must not break bulk on the way. There is nothing to say that if a man ships two or three carloads of oranges to New York, he cannot keep one of these cars in New York and send the other on to Canada. The way these business men understood it was that they would have full freedom under this agreement as it was written and as it should

be plainly understood. The minister said a great deal about the deductions that are to be drawn from this agreement and he laid a great deal of stress on what the conditions were before the agreement was written, and on what the practice and the law were. I need not tell my hon. friend that, in connection with the construction of statutes and agreements, we are never allowed to go back to data of that kind until we exhaust the proper understanding of the writing itself. If an Act of Parliament is dubious we are permitted to obtain such assistance as we may from the statements made in Parliament when the Act was being considered. For instance, if a section of the Criminal Code is doubtful, we are permitted to see the statements of the Minister of Justice in Parliament in explanation of it. But if an instrument is in clear-cut English, no matter what the intention of Parliament was, the interpretation has to be according to the meaning of the language used. If this clause 2 can be taken by itself and if its meaning is clear, any customs officer and any court must interpret its language according to the ordinary rules of interpretation. The Minister of Trade and Commerce took great pains to tell us that there were no technical officers present at this conference; that it was a case of business men sitting around a table to discuss business matters and to come to a conclusion, and therefore it is plain that this language has to be taken in its ordinary meaning. We have the authority of the ministers that this was a guileless, honest, unsophisticated gathering of men sitting around a table, trying to arrange a business agreement, and after this prayerful and ingenuous gathering had reached a conclusion they put it down in plain English. But the minister seems to think that it was not after all safe to let these gentlemen from the West Indies have everything their own way and he thinks he can come to this Parliament and obtain by the intervention of a statute something that was not stipulated for in the agreement. The minister could very well have stopped this Bill just at the end of the last word of clause 2 by saying that the Bill approved of the agreement as appended to the Bill. That was all that was done to confirm the treaty between this country and Japan, and that is all that is really necessary in this case. I submit that the language of this agreement is the law and the contract, and that we cannot in the slightest change it by any enactment of this Parliament, unless it be that the changes are sent back to the other parties to the contract and concurred in by them. We must act in good faith there. I suppose the minister has found that inadvertently he granted concessions which he should not grant, and it is natural he should desire to rectify his mistakes by this Bill so as to put the matter in a better light before the Canadian people. But if this Act varies in the slightest from the agreement into which he has solemnly entered, he cannot now rectify his mistake. It is of much more importance to us to carry out our undertakings in good faith than it is to gain some slight advantage by changing the agreement. I am pleased the minister has agreed to some amendments which we have suggested, and I have no doubt that on further consideration and consultation he will come to the conclusion that this agreement solemnly entered into with the West Indian delegates cannot be changed by legislation but must be ratified by us in every particular. Any conditions that we impose on the other parties to this agreement, contrary to the agreement itself, would be, I believe, ultra vires of this Parliament.

Mr. NESBITT: To what extent, if any, will this agreement affect beet sugar manufacturers and beet growers in Canada?

Mr. FOSTER: Under a section in the tariff, a certain concession is made to the refiners of beet root sugar in Canada, and the Act passed several years ago gave to them the liberty of importing foreign sugars under preferential rates to the amount of a certain proportion compared with what they refined out of the beet sugar. That proportion was large at first and diminished afterwards. At the present time I think it is an equal portion to what they refine; at first I think it was a double portion, but that is not material. That legislation runs out in 1914, and a stipulation of this agreement is that that legislation shall not be continued after 1914. The beet root sugar refiners are then left without whatever advantage they may have in the right now to import, under preferential duties, a certain proportion of foreign sugar; and an adjustment will have to be made in the tariff if it is found necessary to meet that condition. The same thing occurs with reference to the refiners of cane sugars; under the present Act, they also have the right to import a certain amount of foreign sugars at preferential rates, proportioned to the total amount they refine in a year. That also will drop when this legislation is passed; and a certain adjustment may have to be made with reference to it. I think that covers the point.

Mr. SINCLAIR: Schedule B contains such articles as fresh fruits, sugar, coffee, coal, kerosene oil and other articles, which I understand at present are dutiable. This agreement is to last for ten years, once it

is made. Will it then be within the power of this Parliament to put any of these articles in schedule B on the free list?

Mr. FOSTER: Certainly. Neither the colonies, nor ourselves, as far as schedule A and schedule B are concerned, curtail themselves of any rights of tariff legislation; the guarantee of each country is that at least one-fifth preference shall be given, whatever the duty may be.

Mr. SINCLAIR: I understand in schedule C we tie ourselves up for ten years, so that we cannot put any article in that schedule on the free list?

Mr. FOSTER: With reference to schedule C, the position is as my hon. friend has stated, during the continuance of this agreement, with reference to cocoa-beans, lime-juice and limes, there is a stated minimum impost upon foreign countries.

Mr. MACDONALD: Since the treaty was agreed on in April of last year, has the minister gone into the matter of better steamship service with the West Indies? I am disappointed to find that while it is contemplated that at some future time power will be taken to pass Orders in Council for this purpose when you have steamers, still you go on in disregard of the fact that we have on both the Atlantic and Pacific coasts of this country a maritime condition which ought to be especially guarded and looked after. We are providing for goods coming from and going to every other country without paying any attention to these matters. My hon. friend was very strong two years ago about trade being East and West, instead of North and South, but still we go on trading North and South; we are making special arrangements with the West Indian islands, and are bringing in the goods through the United States. This North and South, and East and West business is all very well at election times; but it does seem to me, when the opportunity came to my hon. friend to make this bargain, he should have gone into the matter of better steamship service. Of course, there are contingent clauses here, but what has my hon. friend been doing since April last in the way of providing steamship connections, and when are we going to have this service?

Mr. FOSTER: I have no objection to making the statement now, if the committee would rather have it now. I was trying to carry out the general rule of debate that we take clause by clause, and not jump from one to the other. My hon. friend has put a question which was asked before, when the resolution was under consideration, as to the desirability of having improved steamship communication between the West Indies and Canada. I do not think that my hon. friend believes for a moment that I am not as anxious as he is to see improved steamship connection. It is of very great moment to the country as a whole; it is especially of great moment to the Maritime provinces which lie contiguous to the West Indian islands, between which this communication by direct steamship would be carried out. I think I brought down to the House the papers embodying all the correspondence that had taken place up to a short time ago. That has been before the committee; and I have no doubt that my hon. friend has seen and read it, and knows exactly the course of the negotiations up to the present time. Tenders were called for which were due about October 1. When these tenders came in they were not satisfactory; they did not propose to give the kind of service that it was thought was best suited. In fact, there was but one tender. That was not satisfactory; and the period for tendering was lengthened, and everything was done that could be done to induce others to tender for those services On the 15th of December, I think it was, those tenders were due, and they have been under consideration since. I am not able to say yet what conclusion will be come to with reference to them. All I can say is that for the last three or four weeks, I have been giving personal attention almost every day to that matter. I hope to be able, within a short time before I go away, to give to the House the conclusion which has been arrived at. There are various difficulties, and no difficulty is greater just at the present time than that which is induced by shipping conditions. Every shipping man knows that at the present time freights are high, vessels' charters are high, vessel building is high, shipping and shippers are engaged almost to their limit; and it is almost impossible to get strong reliable firms to enter into a competition at present for the West Indian business. There is the greatest difficulty that confronts me, and the House will appreciate the difficulty when I bring the matter before it, as I expect to do within the next few days. My own conviction about this service is that we do not want a long-drawn-out, slow service. In some way or other, we must get fairly rapid communication between Canada and the West Indian islands. We do not want a service which does not compare favourably with any service carried on from United States ports to the West Indies. Contrasts are very inconvenient when they tell against us in the eyes of the travelling and shipping public. So, we are trying to get a service which, in speed and in general makeup so far as comfort and conveniences both for freight and passenger traffic are concerned, shall be the best possible. I am not telling any secrets, and I am not going into figures; but I must tell the House that if it wishes an up-to-date ser-

vice of that kind, it must make up its mind to pay well for that service. We are probably on the crest of expense in ship-building and shipping transactions, and in trying to make an arrangement for a contract at the present time, the conditions tend to probably the largest cost for the service to be given. My hon. friend and other hon. members may rest assured that I am doing everything I can to facilitate the conclusion of this matter, and just as soon as it is brought about I shall submit to the House the results.

Mr. OLIVER : Before we leave section 3 I want again to express my disappointment at the small advantage that can possibly result to either Canada or the West Indies under this trade arrangement. Yesterday we discussed the amount of reduction in duty—a 20 per cent advantage as to Canadian trade going to the West Indies, and no advantage at all, as compared with the present conditions, as to West Indian trade coming into Canada. When I read the section yesterday, it did not strike me that there was a variation in that section from the terms of the agreement which again loaded the business coming from the West Indies to Canada with disability and therefore with expense. I did not realize at first that the rate which appears on the face of the agreement is not to be the rate in fact under the law as we are asked to enact it in this section 3. Looked at from the point of view of the Canadian consumer, the thing may be summed up in this way: The consumer pays more on free articles of consumption than he did before the treaty was made: on no article of consumption does he stand to pay less than before the treaty was made. Not only so, but so far as the treaty is concerned, he may be obliged to pay more on a large number of articles, to the amount of the difference between a reduction of twenty per cent and a reduction of thirty-three and a third per cent. He is going to be in a worse position so far as the importation of West Indian products is concerned than he is now, and to compensate him for that he gets a twenty per cent reduction from the ordinary duties on certain of his goods going into the West Indies. Now, I am prepared to assert that a twenty per cent advantage to our goods entering the West Indies, is not sufficient to give Canada access to that market. Take the instance of Great Britain in the case of the preference given by Canada. Would a 20 per cent preference give Great Britain a practical advantage in the markets of Canada in those articles in which the United States competes with Great Britain? It is a well-known fact that until the British preference was made 33 1-3 per cent it was not effective. Now, if that was the case in regard to British trade with Canada, is it not much more the case in regard to Canada's trade with the West India Islands, which trade has been going on for the past twenty or thirty years directly with the United States, and which is held to-day by the United States to the greatest possible degree? The whole purpose of this arrangement, so far as the expansion of Canada's trade is concerned, is to allow Canada to cut under the United States in West Indian trade. If my hon. friend had come here with a substantial preference to Canada, he would have been doing a good work. But when he comes with a trade arrangement that lays an increased burden on the Canadian consumer, and does not, as a matter of actual fact, give the Canadian producer access to the West India Islands, I say he comes with a proposition by which—I do not wish to be offensive—it seems to me he is trifling with the House and the country. The hon. gentlemen has told us that the delegates from the West Indies would not agree to give Canada more than 20 per cent preference in their markets. Why would they not agree? That was a matter of bargain and sale, a matter of value for value. If they would not agree to give more, it must have been because my hon. friend would not agree to give them more. Now, may I suggest: There are certain products of the West Indies quite extensively used in Canada which are not produced in Canada. Would it not have been in the interest of Canada, in the interest of the Canadian tax-payer and consumer, if my hon. friend had offered to the West Indian Islands to place these articles on the free list in consideration of the West Indian Islands giving to Canada what would have been a substantial preference on her products in their market—say, a preference of fifty per cent? Was such a proposition ever made and if made was it made in good faith? I cannot imagine that if such a proposition had been made it would not have been acceded to in a large degree. Yesterday, speaking of Trinidad, my hon. friend said that its products being chiefly cocoa and sugar, the chief export being cocoa, we were compelled to put a duty on cocoa from countries other than the West Indies in order to secure Trinidad's adhesion to the treaty. But Trinidad has an important export of asphalt, and I would think that it would have been a matter of consideration to Trinidad if asphalt had been put upon the free list. Possibly we might have made such an arrangement with Trindad by putting asphalt upon the free

list, as would have saved us from the imposition of the duty on cocoa, which after all, is a matter of some importance to a very large number of our people. A trade arrangement that has in it no more element of benefit to the people of Canada than this arrangement has is not one that is deserving of the commendation or endorsation of Parliament.

I would like to know why when Canada is to-day-giving the West Indies a 33⅓ per cent preference, it was necessary in the negotiation of this agreement to provide for an apparent limitation of 20 per cent. We now import these goods at a 33⅓ per cent preference, and we hope to continue doing so. Is it because we have in power a Government so wedded to the idea of higher tariff that in making this arrangement they were bound to protect their principles so that whenever they saw fit to remove that 33⅓ per cent advantage which the consumer now has they would be free to do it without violating the agreement? It is a protection of protection. Is it in the minds of our hon. friends that they are going to establish a limit of Imperial trade preference of 20 per cent, and that this West Indian agreement is the forerunner of an Imperial preference of 20 per cent instead of 33⅓ per cent? If there is no such purpose behind this 20 per cent arrangement, for what reason has it been placed upon the statute-book? If it is not merely a declaration that has no effect it must indicate an intention on the part of the Government to constitute 20 per cent the limit of preference that will be given under our customs tariff hereafter. Is that the reason why this very remarkable treaty has been made in such a manner that it is ineffective to benefit the trade of Canada but effective to lay additional burdens on the people of Canada?

On section 5—Restrictions, control of rates:

Mr. PUGSLEY: It is stated in the New York papers that the Government have come to an arrangement with the Canadian Pacific railway for a West India service for a sum of $400,000 a year. Has such an arrangement been concluded with the Canadian Pacific railway?

Mr. FOSTER: I have already stated that no conclusion has been come to. If a conclusion had been arrived at I would have been able to announce it this afternoon.

Mr. PUGSLEY: It would be important that the committee should have a statement of the terms which the Government propose to exact from the steamship companies. What are the services in regard to which tenders have been called for? Before we dispose of this matter and before the Government enters into an agreement this committee ought to have some information. After the bargain is once made and an agreement entered into with a steamship company for a number of years it will be too late for members to express their views, it will be of no advantage to do so, whereas if we had the information beforehand we might be able to make some suggestions that would be entitled to some consideration. I would like my hon. friend to inform the House, not now, but on the third reading, as to the proposed requirements of the service. I think that a great mistake has been made in the past in insisting upon a combined service to St. John and Halifax. The only way to make this service a success is to have it direct from Halifax and direct from the port of St. John. It is utterly absurd to my mind to require steamers to make both ports. You will never have a satisfactory service under those conditions. May I ask my hon. friend, if, on the third reading, he will give information to the House as to the conditions of the proposed service in respect to which tenders have been called.

Mr. FOSTER: I shall try to do that, though I cannot say positively. I want to settle that matter before I leave, and I shall give all the information to the House that I can. If I am able to give it on the third reading I shall be very glad.

Mr. PUGSLEY: There is one other matter. Under this agreement the Governor in Council is to have the power to issue a proclamation providing that, in order to enjoy the preferential rates contained in the treaty, the goods must be brought by steamship direct to a Canadian port. I want to know whether my hon. friend is prepared to hold out an expectation to this House that that proclamation will issue at an early date, or whether it is simply put there with a view to providing something that may be brought into effect in the distant future. Is it bona fide intended to issue that proclamation in the near future? What the people of St. John, Halifax and the St. Lawrence ports want to know is whether it is intended to go on conducting this business between Canada and the West Indies through foreign ports, or whether at an early date there is to be a bona fide and energetic determination to limit this preference to goods brought through Canadian ports.

Mr. FOSTER: Many years ago, I find, there was enacted such a provision as this in the Customs Tariff Act. It reads:

> On and after a date to be named by the Governor in Council, in a proclamation published in the Canada Gazette, the British preferential tariff shall apply only to goods brought into Canada by ship direct to a Canadian seaport.

All these years there has been that same longing for information in the breasts of my hon. friend and others, but the longing has not been satisfied. When my hon. friends opposite were in power, why was it not satisfied?

Mr. MACDONALD: That is no answer. What about you?

Mr. FOSTER: I merely mention that to point a moral and adorn a tale. At this time I cannot say just when that proclamation under the agreement will issue. It depends absolutely, first, upon the facility with which we get proper communication. I am absolutely opposed to imposing direct shipment between the West Indian islands and Canada with steamship arrangements such as we have to-day. I am opposed to it personally until we get a fairly good and effective steamship communication. So far as I am concerned, personally, I would be very glad to see direct shipments. At the same time I think we have something to consider with the West Indian islands as well. It is true we have absolute power to make that a condition with regard to imports coming into Canada, and they have the right to make it a condition in regard to imports going into their country. Either of us could do it, and the other need not. But it would be much better if both did it at the same time, because it would give a greater impetus. My reading of the mind of the West Indian islands, as reflected through the delegates was that as soon as satisfactory arrangements are provided they would be favourable to that line of policy, and I myself am very favourable to that line of policy.

Mr. PUGSLEY: Is the Government also favourable?

Mr. FOSTER: I think the Government is favourably disposed to that.

Section agreed to.

Bill reported.

At six o'clock House took recess.

After Recess.

House resumed at eight o'clock.

PRIVATE BILLS.

GRAND TRUNK PACIFIC BRANCH LINES.

House in Committee on Bill No. 16, respecting the Grand Trunk Pacific Branch Lines Company.—Mr. McKay.

On section 1—time for construction of railways extended:

Mr. OLIVER: This requires the company to commence construction within two years and to complete within five years after the passing of this Act, I understand?

Mr. LANCASTER: Perhaps I should explain the effect of the section. They were not using the standard clause that we generally use. There is no change whatever in the result except that the legislation is made consistent with the clause that we always use. We left out what was printed:

> Notwithstanding the provisions of section 3 of chapter 83 of the Statutes of 1911——

and inserted what appears in the section as amended. This is merely a secondary way of repealing a section which is afterwards repealed. The last clause of this Bill repeals this section as to the previous limitation of renewal and we would only have been here repeating if we had left these words in. Therefore we started the section by saying:

> The Grand Trunk Pacific Branch Lines Company may, within two years after the passing of this Act, commence the construction of the lines of railway which have heretofore been authorized.

etc. The effect is exactly the same as it was intended to be in the first place.

Bill reported, read the third time, and passed.

ALGOMA EASTERN RAILWAY COMPANY.

House in Committee on Bill No. 39, respecting the Algoma Eastern Railway Company.—Mr. Smyth.

On section 2—extension of time for contruction of portion of railway:

Mr. LANCASTER: This charter was first granted in 1900, and with respect to the clauses that are now added, I might explain that since then there are standard clauses which are inserted in all these Bills, controlling the exercise of the powers of the company, compelling them to submit their rates to the Board of Railway Commissioners instead of to the Governor in Council, as formerly, and providing that they shall not erect poles on streets and highways, without obtaining the consent of the municipality. The added clauses to this Bill are with the idea of placing the company on the same basis as other similar companies, which have obtained charters during the last three years.

Mr. OLIVER: There are certain regulations by Order in Council for the control of electrical power; are these regulations brought into this Act?

Mr. LANCASTER: Yes. We bring in section 247 of the Railway Act which contains a good many salutory provisions, and we also bring in certain other provisions

such as that the company shall not have power to expropriate against the consent of the owner, and generally speaking, what are known as the standard clauses.

Bill reported, read the third time, and passed.

CAMPBELLFORD, LAKE ONTARIO AND WESTERN RAILWAY COMPANY.

House in Committee on Bill No. 41, respecting the Campbellford, Lake Ontario and Western Railway Company.—Mr. Smith.

On section 1—issue of securities:

Mr. LANCASTER: In this Bill the standard clauses are also added, and we have increased the capital.

Mr. OLIVER: The bonding privileges allowed on this road seem very large. I assume the committee has some definite rule in regard to granting permission to impose liabilities upon a road?

Mr. LANCASTER: In one of their Acts they had power up to $25,000 a mile on part of the line and another Act gave them $35,000 a mile. They constructed part of the road and found they could not possibly build it for less than the sum which is now allowed them. The Railway Committee were satisfied on the explanation given that the company should have that additional amount.

Bill reported, read the third time, and passed.

MANITOBA AND NORTH WESTERN RAILWAY COMPANY.

House in committee on Bill No. 44, respecting the Manitoba and North Western Railway Company of Canada.—Mr. Cash.

On section 1—time for construction of railways extended:

Mr. LANCASTER: I may say that when the Bill was before the Railway Committee it proposed to give the company the right to make a terminal on ranges 16, 17, 18, or 19. The Committee thought this was too wide, and concluded finally to strike out sixteen and seventeen, and the promoters were satisfied to be limited to eighteen or nineteen.

Bill reported, read the third time, and passed.

CONSIDERED IN COMMITTEE—THIRD READINGS.

Bill No. 18, respecting the Ontario Michigan Railway Company.—Mr. Pardee.

Bill No. 19, respecting the Ottawa Terminals Railway Company.—Mr. Fripp.

Bill No. 14, respecting the Grand Trunk Railway Company of Canada.—Mr. Currie.

Bill No. 15, respecting the Grand Trunk Pacific Railway Company.—Mr. Currie.

Bill No. 37, respecting the Alberta Central Railway Company.—Mr. Clark (Red Deer).

Bill No. 42, respecting the Guelph and Goderich Railway Company.—Mr. Morphy.

LA BANQUE IMMOBILIERE.

Mr. BAKER moved second reading of Bill No. 72, to incorporate La Banque Immobilière. He said: This is a Bill to incorporate a real estate company. Some objection has been taken to its name, and this question can be dealt with in the Committee. The promoters do not insist upon the name, but an objection to the name held the Bill up when it was before the House the other evening.

Mr. LEMIEUX: Is real estate the primary object of the concern?

Mr. BAKER: Yes. The objection is to the word 'banque' in the name.

Motion agreed to, and Bill read the second time.

SECOND READINGS.

Bill No. 77, to incorporate the Calgary, Edmonton and Fort McMurray Railway Company.—Mr. Armstrong (Lambton).

Bill No. 78, to incorporate the Canada Hail Insurance Company.—Mr. Aikins.

Bill No. 79, respecting the Cariboo, Barkerville and Willow River Railway Company.—Mr. Green.

Bill No. 80, to incorporate the Huron Lake Shore Railway Company.—Mr. Baker.

Bill No. 81, to incorporate the Quebec, Portland and International Short Line Railway Company.—Mr. Cromwell.

Bill No. 82, respecting the Shuswap and Okanagon Railway Company.—Mr. Green.

Bill No. 83, respecting the Southern Central Pacific Railway Company.—Mr. Sharpe (Lisgar).

Bill No. 86, to incorporate the British Northwestern Mortgage Company.—Mr. Aikins.

Bill No. 87, respecting the Burrard Inlet Tunnel and Bridge Company.—Mr. Stevens.

Bill No. 91, respecting the Kettle Valley Railway Company.—Mr. Green.

Bill No. 93, to incorporate the Quebec Rapid Transit Railway Company.—Mr. Gauthier (Gaspé).

AID TO AGRICULTURE.

Hon. MARTIN BURRELL (Minister of Agriculture) moved that the House go into Committee to consider the following proposed resolution:

That it is expedient to provide that a sum not exceeding $10,000,000 be appropriated and

paid out of the Consolidated Revenue Fund of Canada during the period of ten years, beginning with the year ending March 31, 1914, for the purpose of aiding and advancing the farming industry by instruction in agriculture, including the work carried on by veterinary colleges.

He said: I know, Mr. Speaker, it is customary in a case of this kind for a minister, on moving that you do leave the Chair, to make a statement of the purposes of the measure. But I do not wish to detain the House on Friday night by speaking at length. My only object now is to introduce this Bill so that it can be printed and distributed amongst the members. I would appreciate it if the House would leave the discussion for a later stage of the Bill after it has been distributed. I wish to express to the right hon. the leader of the Opposition my appreciation of his consent to this course to-night, and to say to the individual members of the House that I would be very glad if they also would allow the resolution to go, pro forma, through committee, and allow me to give full explanation of the Bill on the motion for leave to introduce it.

Motion agreed to, and House went into Committee on the resolution, which was reported and agreed to.

Mr. BURRELL thereupon moved for leave to introduce Bill No. 103, for the granting of Aid for the Advancement of Agricultural Instruction in the Provinces. He said: Mr. Speaker, the right hon. gentleman who now leads this House (Mr. Borden) stated to the people of Canada on August 14, 1911, that if he were placed in charge of the Government of the country he would provide for 'the granting of liberal assistance to the provinces for the purpose of supplementing and extending the work of agricultural education, and for the improvement of agriculture.' The Bill which I am asking leave to introduce is intended to be a prompt and complete fulfilment of that promise.

When introducing a measure for the assistance of agriculture last session, I pointed out that it was impossible to move wisely in such a matter without first having a thorough investigation of the whole subject made by a competent man, and in appointing Dr. C. C. James for this purpose the Government felt they were taking the right step in the direction of a constructive agricultural programme. Since that time Dr. James, whose long experience in agricultural matters and whose wide acquaintance with the men who in Canada are solving agricultural problems peculiarly fitted him for the work, has freely and fully consulted with the various provincial governments and with the men in charge of the various agricultural institutions of the country. His task has been to ascertain in what way the federal authorities could best assist the provinces in strengthening and developing Canada's great basic industry. I have been in constant touch with Dr. James during the past year, and I gladly here bear testimony to the valuable character of his services. It has been customary to follow investigations such as this, or of other kinds, by elaborate reports, more or less valuable, which too often have found a long resting place in the pigeon hole of a department—unacted upon, 'unwept, unhonoured and unsung.' There is a homely old proverb that 'the proof of the pudding is in the eating,' and the result of the work which has been carried on and of the careful thought given to the study of this whole question will be found in the terms of the Bill which I have the honour to introduce to the House.

There has been in the Speech from the Throne a reference to the form which such a measure should take, viz., such assistance to agricultural education as would involve continuity of action, and already there have come to me from the principals of the leading Canadian universities, from the heads of agricultural institutions, and from men holding office in various provincial governments, both Liberal and Conservative, many expressions of sympathetic interest in and approval of the suggested line of action.

It is not necessary in this day and hour to defend or justify generous assistance to agriculture. We all recognize the soundness of such a doctrine. To increase the farmers' output; to improve the conditions of rural life; to swell the numbers of those who till the fields,—to do these things, even in the very attempting of them, we are doing something to solve the greatest problems and avert many of the manifest evils that face us in modern life.

Two problems especially confront us to-day, as they confront other nations: the ever-increasing cost of living, with its heavy burdens, and the increase of urban as against rural population. To analyze their cause is not less difficult than to provide their remedy. Free trade England is not less afflicted in this respect than countries with protective tariffs. The two things are intimately related. Congestion in cities is both an economic and a social menace. The swelling of urban population with a diminution in the ranks of the producers has its sequence in the added cost of living, in the increase of squalor, hunger and crime, and,—in a country to which thousands of immigrants come—in the concentration of large masses of the foreign born, who, when unassimilated and unrelated to our national life, constitute both a political and social difficulty.

In the United States prior to the civil war the urban population was twelve per cent. In 1900 it rose to 31 per cent. To-day it stands at the ominous figure of 46 per cent. In Canada we take a natural

pride in our great and growing cities, but we should be poor citizens if we did not try to mitigate and avert the attendant evils which follow undesirable expansion in this direction.

As this question is so intimately related to the purposes and objects of the Bill, I shall venture to give the House the facts and figures as they relate to Canada.

Total population—

1901..	5,371,315
1911..	7,204,838

Increase, 34·13 per cent.

	*Eastern Canada.	†Western Canada.
Total population—		
1901..	4,725,798	645,517
1911..	5,463,941	1,740,897
Increase	738,143	1,095,380
Per cent	16·	170·
Urban population—		
1901..	1,813,832	207,967
1911..	2,599,228	681,216
Increase	785,396	473,249
Per cent	43·3	227·
Rural population—		
1901..	2,911,966	437,550
1911..	2,864,713	1,059,681
Decrease	47,253	Incr'se 622,131
Per cent	1·6	149·

It will be noted that the significant fact in these figures is that in spite of the great increase in the rural population of Western Canada there is still a much greater increase in the urban population.

If this process goes on indefinitely where will it land us? Into what danger shall we be plunged? Hunger and want in big cities are tragic enough, but neither so tragic, nor so pitiful, as would be deserted fields and a barren countryside. There can be no health in the cities without corresponding health in the country. To put it in George W. Russell's words: 'Our princes and captains of industry with all they control—the high built factories and titanic mills—might all disappear without man disappearing, but cut away men from the fields and the fruits of the earth and in six months there will be silence in the streets.'

We, then, in this Parliament who are making the laws of the nation may well ask ourselves: in what way can we best solve these questions of great national concern? It will not be denied that the safeguarding of its producing classes is a matter of primary and fundamental importance to the nation. But in regard to the agricultural life of our country it is not alone a betterment of economic conditions that we should aim at, but something finer—the creation of a rural civilization which will at once ensure a fuller and happier life to those in its midst, and prove a source and fount of strength to the state itself.

In so far as this federal Government is concerned, we have come to the conclusion that we can best help on this great work by freely and generously assisting the cause of agricultural education. If we are told that this is an innovation, we answer that it is the people's money, drawn from them, and that it is not only defensible but desirable that such money should be spent in what we believe to be the most efficient way to attain the objects referred to. In choosing education or instruction as a desirable line which federal expenditure should take we are following the best methods of the most progressive countries. Practically no advance was made in agriculture in the great German nation until the system of secondary and elementary agricultural instruction was organized during the second half of the last century.

At the present time in Germany there is no branch of agricultural production for which special facilities for instruction are not provided, and the world knows the results. As to Great Britain the House is aware of the marvellous work of regeneration carried on in Ireland through the Board of Agriculture organized in 1899. Sir Horace Plunkett was its moving spirit. Instruction for the farmers and co-operation were the means then adopted and still carried on so successfully. In 1909 the British Parliament set aside £500,000 a year for five years to give further assistance in England, Scotland and Ireland to agriculture, roads and fisheries. With these funds the Development Commission has been assisting agricultural colleges, encouraging many lines of direct instruction and providing for agricultural research. Denmark is frequently referred to as the most progressive and most prosperous of purely agricultural countries. After being shorn of her rich southern provinces by Prussia, the Danish people determined to make a supreme effort to regain their former position and they have done so through two allied lines of work—co-operation and education.

In Belgium, depletion of soil and emigration of rural population became so serious that the Government in 1885 decided to appoint agricultural supervisors or district agricultural instructors. What has been the result? Briefly it may be summed up thus—increased values of farm lands, remarkable improvement in crop production and a steadying of the rural population. The Belgian Minister of Agriculture reports that since 1885:

	bushels.
Wheat has increased per acre from..	24.54 to 28.55

* Ontario, Quebec, New Brunswick, Nova Scotia and Prince Edward Island.

† Manitoba, Saskatchewan, Alberta, British Columbia, &c.

bushels.

Rye has increased per acre from.. .. ..23.86 to 36.69

Oats has increased per acre from.. .. ..49.79 to 81.48

Barley has increased per acre from.. .. ..38.25 to 57.57

Mr. R. B. Greig in a special report to the Board of Education in England points out that:

Belgian farms produce 10,000,000 pounds more annually than they did twenty-five years ago at a cost for every kind of agricultural education of not more than 40,000 pounds a year. What is now the densest population in Europe is almost supported by the product of its own farms, which yield an average of 20 pounds per annum per acre as compared with less than half from British land.

France for many years has been carrying on a well planned and comprehensive plan of agricultural instruction. I cannot sum up the results better than in the following words from a recent issue of a Canadian weekly journal, the Weekly Sun of the 20th of November, 1912:

Value of Agricultural Education.

If anyone doubts the value of agricultural education when carried directly to the home, the barn and the field of the farmer, he should consider the case of France. Since that country established a practical system of agricultural education fifteen years ago the value of the annual crops has increased by five hundred million dollars.

I would like to point out to the House a notable advance made recently by the United States, and especially because their problems of federal and state jurisdiction are not unlike our own.

Since 1862 Congress has passed six Acts providing for grants to the states for agricultural colleges, experiment stations and various lines of agricultural instruction. During the past fifty years no less than $68,000,000 has been turned over to the states for agricultural investigation and instruction. These grants still continue but they are now inadequate for the demands of carrying instruction direct to the farms and increased appropriations are required.

Last year the introduction of the Page Bill marked a new departure in their attitude to the national question of agriculture. The Page Bill, now in its final stage, provides appropriations approximating twelve million dollars per annum to be apportioned among the states largely for agricultural work but including also technical training. In dealing with this Bill the New York State authorities remarked:

It is recommended that in the development of federal efforts to promote agricultural education the autonomy of the States should be preserved; that established state policies should not be reserved by federal legislation: and that a single centralized control over all states which would lead to bureaucratic regulations should be avoided.

It is added that in the policy adopted, of providing federal funds for agricultural work in the states, the different states should have the same liberty in the application of these funds to the purposes named as they had in the use of their own funds. In the working out of their proposals there is to be co-operation between the state, the state colleges and the federal authorities.

In Canada it is equally desirable that there should be somewhat similar co-operation. We, of course, propose to develop what we may call the direct work of the federal department by assisting and developing the live stock, dairying, fruit growing and other industries along lines of investigation, research, improvement in transportation, markets, and so on, but in respect to funds applied to education we propose to follow what may fairly be termed contitutional lines, using and strengthening the machinery already existing in the provinces, or by them properly established.

The crying need in this country is for men—men who are eminently fitted and trained to teach others. At present in our search for such men we are pursuing the old plan of 'robbing Peter to pay Paul' and there is a continual transfer of the good men from agricultural colleges to departments of agriculture and from the departments back again to the colleges or to other departments. The harvest is plenteous but the labourers are few. It is in a sense one of the great encouragements and one of the proofs of the earnest spirit animating our people at the present time that for every trained, efficient, first-class agriculturist there are half a dozen first-class opportunities for service. There was a time when such men left us for the great republic to the south. We are now drawing such back, and what we have we hold.

It is proposed by the Bill to strengthen all lines of instructional and educational work. The scientific researches of the past half century have revolutionized agriculture, but the full benefits of those researches have not reached the great multitude who to-day till the fields in Canada. Too often the spectacle is witnessed, pathetic and pitiful, or ceaseless, honest, laborious toil, bringing distress of mind and body, and, even after long years, bringing no reward, solely and simply from lack of knowledge and misdirected energy. It has been finely said that:

Where mind co-operates with muscle we get a new kind of man, as compared with the empirical drudge who digs and digs from childhood to death without an idea to redeem his labour and without a hope to realize the solvency of his life. The soil is a great educator. Let men know the reason

governing their effort upon it, and every morning breaks brighter; a new motive power enlightens life and the community moves to a higher destiny.

Help given in an educational direction will not only mean better farming, but better farmers and better and happier men and women. The particular form such assistance may take may vary with the special needs and conditions in each province. It will embrace the increasing of the efficiency and equipment of our agricultural colleges; the establishment of agricultural schools, of dairying and horticultural schools of short courses in agriculture; the initiation of agricultural teaching in the public schools and work by travelling qualified instructors. It might well include the valuable educational work carried on by means of demonstration trains, training of teachers in nature study and the invaluable work of domestic science concerned with the women and girls of our communities, whose influence will always constitute one of the most potent forces in solving the problems we are considering.

We restrict the purposes of the Bill to education because by so doing we get at the true basis of successful production. As any educational work to be effective must be continuous, we propose to make the policy cover a period of ten years. From the Consolidated Revenue Fund it is proposed to set apart the sum of ten million dollars to be expended over the period mentioned. $700,000 will be allotted the first year and this amount will be increased by $100,000 annually until 1917, from which year until 1923 $1,100,000 will be provided yearly. The gradual expansion and growing equipment of the provincial organizations will be met in this way more helpfully than by starting at the million mark.

Speaking broadly, we have adhered to the principle of division on a poulation basis. The slight modifications of this principle which have been adopted will, I trust, meet the approval of the House. Thus, in the first place, we set apart $20,000 a year to be divided between such veterinary colleges as grant degrees and come up to a required standard. We do this on the ground that from the character of our federal veterinary work, and for the reason that students to these institutions are drawn from all provinces in Canada, they may be regarded as having a fairly national complexion. On this I shall speak further when the Bill is before the House.

In addition to this $20,000, we propose to allot to each province, regardless of population, the sum of $20,000. It has been urged—not without some reason, that special consideration should be shown to those provinces whose rural population is of large proportions, whose sources of revenue are limited and whose agricultural development greatly needs stimulation.

I might take the far eastern and far western provinces as examples: Prince Edward Island is purely agricultural with no lands, minerals or timber to draw on for revenue. The incessant call of the West has resulted in a continual drain on its population and agricultural development is a matter of the greatest importance. In the case of British Columbia we have a new province of immense area, small as yet in population, only just starting to develop her resources, and where the cost of living is perhaps higher than in any other portion of our Dominion. I might touch the case of other provinces, but the arguments will suffice for the present and we feel there is justification for the step proposed.

With the exceptions mentioned, the amounts allotted will then be divided in proportion to the population and on the basis of the Bill the provinces will share as follows:

	1913.	Yearly Increase.	1917-23.
Prince Edward Island	$26,529 85	$1,306	$31,753 73
New Brunswick	44,509 93	4,902	64,117 87
Alberta	46,094 95	5,219	66,970 91
British Columbia	47,334 76	5,467	69,202 57
Manitoba	51,730 05	6,346	77,114 09
Nova Scotia	54,288 45	6,858	81,719 21
Saskatchewan	54,296 29	6,859	81,733 32
Quebec	159,482 40	27,896	271,068 32
Ontario	195,733 32	35,147	336,319 98

It is provided that if in any year any province is not prepared to use all its grant the unused remainder shall be held by the Dominion for future use by that province, or until such time as it can make a good claim, or show good cause for its payment. If from lack of educational machinery, or for any other reason, any province is not able to submit a satisfactory scheme the Federal Government would be prepared to formulate one for such province's assent.

When at Confederation the Dominion Government took over the main sources of revenue from the provinces it was deemed right to pay to the provinces such cash subsidies as would fairly enable them to carry on their internal administration in respect to education, construction of roads and other matters of local concern. These subsidies have, as the House knows, been increased in recent years and their expenditure has been left entirely to the provinces. In this case we propose a further step, and, while observing a proper constitutional relationship, we propose to exercise a reasonable Dominion supervision over the expenditures which are made possible by a grant voted by Parliament through this Bill. There will be a careful consideration of the agreements to be

entered into, and inspection of the work done, and a full report made to Parliament of the whole matter.

We have in mind a general conference each year with representatives from the provinces in order that the work may be co-ordinated, and so avoid duplication between federal and provincial departments. We have in mind also development of a publications office by means of which the people of Canada will be kept continually informed as to agricultural work in progress in all parts of the country. In these ways something like a real co-operation between the Dominion and the provinces will be achieved, provincial rights will be safeguarded and sufficient control will be exercised by this Government over the federal grants. As we earnestly desire to treat this whole matter from an economic and national standpoint, eliminating party politics and party advantage, so also we look to the governments of the provinces to take the same stand and to work with the same ends in view. It is obvious that the success of the whole scheme is dependent on the spirit in which it is approached and operated.

In conclusion, Mr. Speaker, although the sum provided for under this Bill may at first seem large—and perhaps is sufficiently large for the initiation of the work, it is none too large for the work to be done. If the provinces co-operate with us, as we hope and as we have every reason to expect, it is my conviction that, considering the magnitude of the task, its nature, and considering also the growth of this country, it will be found in a few years that this appropriation will be unequal to the demand. While that may be left for future consideration, I would like to state clearly at this time that I believe this House will, in the not far distant future, be prepared to supplement this appropriation by still larger amounts and that when that time comes the House will consider it from the same standpoint that I ask you now to consider it, viz., that by such a measure we are providing funds for effective and lasting development along right lines of our greatest national asset.

On this side of the House and on that are many men who either know by experience the farm life of our country, or whose fathers or forefathers have toiled on the land. It is well for all to keep in vision that solitary figure in the distant furrow, that stooped form tending the hearth of the isolated home—symbols and types of our national necessities, our national virtues, and our national strength. Here between these four walls we sit year by year making the laws of our country. We do it, amidst much strife, sometimes ill, sometimes well, too often attaching importance and permanence to that which is neither permanent nor important. Our laws would be better—there would be less bitterness in our strife—if we were oftener moved by a sincere desire to lighten the work and brighten the lives of those who, in the silence and solitude of the fields and woods, are doing the foundation work of our common country.

Mr. E. W. NESBITT (North Oxford): I do not wish to speak on the Bill until I have the pleasure of seeing it. I should like, however, to congratulate the hon. minister on the excellent spirit in which he has introduced his Bill. Those of us who know anything about farming know that, if it is possible to reach the vast majority of farmers with an education, we can vastly increase the product of the land. The difficulty is to reach the farmers; we are not reaching them through the agricultural colleges to any great extent. When a young man comes back from the Agricultural College in Ontario, which is the best we have in Canada, and which is probably as good as there is in any country, he benefits his community, let alone himself. We can see the benefit he derives from the education he receives there in better farming. I do not know what my hon. friend proposes in the way of education to reach the farming population; but I have had an idea that the best way to reach the farmers of this country is by illustrative farms in their immediate neighbourhood. They will not go to the agricultural college except on an excursion once in a while; when they go there, they do not see anything practical except the agricultural college; and they do not learn anything there of a practicable nature. The young fellows who go there do not come back to the farm for some reason; perhaps they take up the teaching profession. A great many of them are town fellows. I want to impress upon the hon. minister that this money will be practically wasted, unless he can reach the agricultural people with that education. We want to catch the ordinary old farmer like myself, the fellow that has to work, and give him some education. Do not go into a lot of theory, but teach him how to make the hens lay better; teach him how to grow a hog up to two hundred pounds in six months; teach him how to make a cow produce ten thousand pounds of milk a year, in place of thirty-five hundred, with practically the same feed; teach him how he can raise fifty, sixty or seventy bushels of barley in place of twenty; and teach him how he can raise thirty bushels of wheat as easily as he can raise fifteen. Compare the average wheat that is produced in Western Canada and the United States with what is produced in England; the farmers in England have been working their land for four or five hundred years, and they beat us nearly double although some of our

land is nearly new. If we can teach the ordinary old farmer these things, then we will do some good by the expenditure of this money; if we do not, it is wasted.

Hon. FRANK OLIVER (Edmonton): I also should like to congratulate the Minister of Agriculture on his presentation of this Bill. I quite agree with him, as everybody must, as to the importance of the agricultural industry and the desirability of improving the conditions of that industry in so far as can be done. That duty, as he has already said, rests upon hon. members of this Government and of this House as well as on members of provincial governments and legislatures throughout the country. There is a point he mentions that I wish to endorse very strongly; that is the principle of division of this grant amongst the various provinces as an addition to their subsidies and upon the same grounds as their subsidies are based. The revenues of this country have increased very greatly during recent years. Canada is made up of her provinces. It is the people of the provinces, in their capacity as people of the provinces as well as people of the Dominion, from whom these revenues are gained. It has been found in operation to be unfair to the provinces that the fixed subsidy, agreed upon years ago and under former conditions, should be all the share that the provinces severally receive to-day out of these rapidly growing revenues of the Dominion. I think that the principle is good under existing circumstances, when we have the swollen revenues that we have, that there should be means of giving to the provinces some share of that larger revenue, because the very fact that the revenue is larger is evidence that the needs of the several provinces in their administration is greater. I congratulate the minister particularly on that feature of his Bill in which he intends to divide his proposed grant amongst the provinces to some extent in proportion to population and on much the same principle as the provincial subsidies.

In regard to the amount of the grant, I do not think that anyone will quarrel as to whether a million more or a million less is spent, if it is, as my hon. friend from North Oxford (Mr. Nesbitt) has suggested, of advantage in improving the condition either of the agricultural industry or of the people who are engaged in that industry. At the same time, I may bring forward the point that the proposal of the hon. minister is not a proposal to grant $10,000,000 in aid of agriculture for use in this present year; it is a proposal, as he has said, to grant $700,000 in aid of agriculture during the coming year. And when he argues against politics being brought into this discussion, I am forced to think—not that I complain in any degree—that my hon. friend has been moved somewhat by political considerations in bringing forward a spectacular proposition to provide $10,000,000 when he is only going to spend $700,000, in the coming year. I hope he will forgive me for taking that view. But when he exhorts us so eloquently to keep politics out of this discussion, I may be permitted to have the opinion that politics had something to do with the form in which this proposal has been submitted to the House. However, that is a detail we certainly will not quarrel about. If my hon. friend is desirous of introducing his resolution in a spectacular manner, I can only say I think it is well that it should be done that way, in order to better attract the attention of the agricultural community and the country generally to the possibilities that may arise out of this increased expenditure on behalf of agriculture. But, having sought that advantage himself, he must not complain if we also take, perhaps, a political view of that feature of the question. My hon. friend and the House are aware, of course, that a proposal of some importance to the agricultural community of Canada formed a part of the policy of the late Government and was an issue in the late election; and he will pardon me, I am sure, if I point out that the agricultural community of the three prairie provinces —I state facts within the knowledge of the country and of members of this House —would have profited by the success of that policy on last year's operations alone to the amount, not of $1,000,000 but of $10,000,000, the amount that is proposed by this spectacular proposition to appropriate for the benefit of agricultural education throughout the whole Dominion during the period of ten years. The amount that it is proposed to appropriate to the benefit of agriculture throughout the whole Dominion for a period of ten years would have been secured and enjoyed by one section of that agricultural community by the operations of one year under the proposal to give them access to their adjacent and then open markets.

Mr. WILCOX: How does my hon. friend figure that out?

Mr. OLIVER: It was figured out last year. My hon. friend will find it in 'Hansard.'

Mr. HENDERSON: The people did not figure it out that way.

Mr. OLIVER: The people immediately concerned did. Give them a chance, and you will see.

Mr. HENDERSON: They did not show it in Macdonald.

Mr. OLIVER: The man who said he was in favour of reciprocity in Macdonald was either put in jail or threatened to be put in

jail. However, referring to the argument as to the importance of the agricultural community and the importance of improving the conditions of that community so eloquently and ably presented by the Minister of Agriculture in support of his proposal to appropriate the sum of $700,000 for expenditure on agricultural projects for this year, I would draw attention to this further matter for the purpose of emphasizing the point—and I wish to bring it very strongly to his attention—that the duty of the Government of Canada to the agricultural community of Canada is not discharged in full even by this appropriation, no matter how well he may expend it. I have every confidence that under his Administration it will be a useful expenditure. But the Government of Canada, this or any other government, has a duty and responsibility to the agricultural population that is not discharged by a grant of $700,000 or, if you like, of $7,000,000 in any single year. It is their duty to see to it that the producers of Canada have opportunities to reach the best market that can be secured for their products. And if the Government will do that, if they will secure to the producers of Canada access to their best markets under all circumstances, the producers of Canada can afford to dispense even with the liberal and desirable aid that my hon. friend is proposing under this Bill. I agree entirely with the terms my hon. friend has used in speaking of the agricultural population of the country as an important part of the country. But, knowing this population very well, I would like it to be understood on their behalf that they are not people to be carried on the back of anybody or of any proposal; that the agricultural population of Canada, speaking at large, is Canada. And it is not a matter of supplying even veterinary colleges, it is not a matter of teaching the people how to fatten hogs; it is a matter of giving the intelligent, industrious, enterprising, persistent agricultural population of Canada opportunity for their own development to benefit themselves by their own business; that is the first and greatest duty of this or any government of Canada.

Motion agreed to, and Bill read the first time.

On motion of Mr. Rogers, House adjourned at 9.45 p.m.

HOUSE OF COMMONS.

MONDAY, January 27, 1913.

The SPEAKER took the Chair at Three o'clock.

Mr. OLIVER

OLD AGE PENSIONS.

Mr. BURNHAM moved:

That in pursuance of the resolution of the House passed 10th December last authorizing the appointment of a special committee to inquire into the old age pension system, the following named members constitute such committee: Messrs. Bradbury, Buchanan, Burnham, Carroll, Crocket, Currie, Guthrie, Jameson, Macdonald, Mondou, Verville, White, (Leeds).

Mr. SPEAKER: I understand this motion is rendered necessary by some oversight which omitted the names that were intended to be embodied in the motion when it passed the House.

Mr. BORDEN: Are these the names that were in the motion?

Mr. SPEAKER: Yes.

Motion agreed to.

PRIVATE BILLS.

CONSIDERED IN COMMITTEE—REPORTED.

Bill No. 13, to incorporate the General Loan Company of Canada.—Mr. Knowles.

CENTRAL RAILWAY COMPANY.

Mr. BENNETT (East Simcoe) moved second reading of Bill No. 90, respecting the Central Railway Company of Canada.

Mr. LEMIEUX: Would my hon. friend kindly explain the nature of the Bill?

Mr. BENNETT: The Central Railway is a railway for which a charter was granted a good many years ago, and is now held by the present promoters. It is intended that the road shall run from Montreal to Midland on the Georgian Bay. The president of the company is Senator Owens, and Mr. C. N. Armstrong is, I think, one of the active members of the company. These gentlemen have, I understand, an assurance of capital in the Old Country, and hope to continue the work of construction at the earliest possible date.

Mr. LEMIEUX: Has any construction been begun?

Mr. BENNETT: Some construction has already been done.

Motion agreed to, and Bill read the second time.

SECOND READINGS.

Bill No. 85, respecting the Board of Management of the Church and Manse Building Fund of the Presbyterian Church in Canada, for Manitoba and the Northwest, and to change its name to The Church and Manse Board.—Mr. Sharpe (Lisgar).

Bill No. 92, to incorporate the Metropolitan Mortgage Corporation.—Mr. Meighen.

QUESTIONS.

(Questions answered orally are indicated by an asterisk).

INVESTIGATIONS OF POLITICAL PARTISANSHIP.

Mr. DEVLIN:

1. What commissioners, if any, appointed by the Government are holding investigations into acts of political partisanship?
2. How long will such investigating commissioners continue?

Mr. CODERRE:

1. Department of Customs: There are no investigations into acts of political partisanship being now held by any such commissioner, so far as customs officers are concerned.

Department of Inland Revenue: Zephir Normandin, Esq., investigating charge of political partisanship against Joseph Omer Bousquet, excise officer, in the Montreal division.

Department of Marine and Fisheries: Mr. H. P. Duchemin, 8 outstanding; Mr. W. F. H. Carvell, 4 outstanding; Mr. E. T. C. Knowles, 1 outstanding.

Post Office Department: The work of these investigators is not permanent. They are specially appointed in each case, and required to act from time to time when an investigation becomes necessary.

Department of Public Works: J. G. H. Bergeron, W. F. H. Carvell, H. P. Duchemin, P. J. Jolicœur, E. T. C. Knowles, N. U. Lacasse, C. W. Lane, J. W. G. Morrison, Geo. C. Wright.

Department of Railways and Canals: Chas. W. Lane, James McDonald, E. T. C. Knowles, H. P. Duchemin, Hazen Adair, Victor Allard, H. Tucker, N. Marceau, W. L. Shurtleff, G. H. Pettit, H. H. Ferguson, H. Carvell, W. H. Moore, J. G. H. Bergeron, Zephir Normandin, J. V. Payette.

1. Department of Public Printing and Stationery: W. J. Code.

Department of Public Printing and Stationery: Until all charges presented are investigated.

2. Department of Customs: The continuance of investigating commissioners for the customs will depend on circumstances, as cases arise.

Department of Inland Revenue has not yet reported.

Department of Marine and Fisheries: The continuance of investigating commissioners for the Marine will depend on circumstances, as cases arise.

Department of Public Works: As long as their services are required.

Department of Railways and Canals: Their services will be continued until such investigations are no longer required.

HOUSE OF COMMONS MESSENGERS.

Mr. BOULAY:

1. What are the names of the messengers of the House of Commons?
2. What is the date of their entry into the service respectively?

Mr. BORDEN:

Permanent messengers:—Boutet, A., 1901; Ebbs, T., 1905; Fortin, L. D., 1909; Hugg, C., 1885; Moreau, L., 1905; Morin E., 1908; Stewart, T., 1896.

Sessional messengers:—Armstrong, J., 5th November, 1911; Arnold, John, 1896; Bailey, R., 10th January, 1912; Bell, W. O., 21st November, 1911; Brisson, J. B., 1896; Boles, T., 1907; Boileau, J., 1896; Boulé, D., 1903; Brisbois, E., 1905; Carisse, A. C., 24th November, 1911; Charrier, M., 26th November, 1911; Coffin, H., 15th November, 1911; Desrosiers, L., 21st November, 1912; Dodd, J. J., 5th December 1912; Easton, L. C., 21st November, 1912; Egan, H. J., 1908; Fanning, S., 15th November, 1911; Farrell, P., 1884; Fitzgerald, E., 15th November, 1911; Frenette, J., 1910; Gallagher, F., 15th November, 1911; Girouard, L., 28th November, 1912; Grant, L. W., 15th November, 1911; Hamilton, H. R., 21st November, 1912; Harman, E., 15th November, 1911; Herbert, C., 15th November, 1911; Hewlett, T., 1883; Jamieson, J., 1897; Kinnear, J., 21st November, 1912; Leger, H., 1909; Limoges, E., 1910; Lortie, L., 1887; Letourneau, O., 1905; McClure, S., 21st November, 1912; McDonald, Jas., 1896; McDonald, D. D., 1906; McGuire, J. E., 1887; McMillan, A., 1894; Morrison, A. J., 21st November, 1912; Mousseau, A., 15th November, 1911; Nicol, J., 1905; Nolan, M., 1896; Ouelette, Z., 1903; Payne, S. R., 30th November, 1911; Pearson, Alfred, 1909; Ringrose, J., 20th November, 1911; Sanders, W., 15th November, 1911; Samoisette, J. A., 1904; Spencer, S., 20th November, 1911; Terry, H., 6th February, 1912; Turner, G. H., 1876.

INVESTIGATION RE JOSEPH L'ETOILE.

Mr. GAUVREAU:

1. Does the Government know that an inquiry held at Ste. Louise, county of L'Islet, in July last, regarding Joseph L'Etoile, then a watchman on the Intercolonial and since removed, is said to have been held without notice given said Joseph L'Etoile?
2. That the latter, as alleged, protested and demanded a few hours to find a defender, that this privilege was refused him and that the inquiry was held without an hour's delay or notice?
3. That the said L'Etoile was not allowed to cross-question the witnesses?

4. Was Doctor Paquet, member for L'Islet, present at this inquiry?

5. If so, does the Government know how he had been informed, that the inquiry would take place on the day when it was held?

6. Can the Government explain how it happened that the witness for the prosecution against L'Etoile had been reported as notified that the inquiry would be held on the above mentioned day, while L'Etoile, it is said, had received no notice of it?

7. Has a successor to L'Etole been officially appointed since that time?

8. Does the Government know, that there is said to be kept regularly in his place since July last a person named Charles Castonguay, who, as alleged, had no experience of the work to be done, that the said Castonguay is above the age fixed by law or the regulations, that he cannot either read or write, and that he is said to be absolutely incapable of passing an examination?

9. Does the Government know that no representative of the Association of the Employees of the Intercolonial Brotherhood was present at the said inquiry on account of the failure of notice?

Mr. COCHRANE:

1. Inquiry was held, in the case of Joseph L'Etoile, by divisional superintendent McDonald, for L'Islet on July 11, last and report sent to general superintendent on the 17th of the same month. L'Etoile was notified two days ahead by telegram through agent at Ste. Louise and again by telephone the day previous.

2. L'Etoile protested and wanted the investigation postponed for eight days and to await the return of Hon. J. E. Caron, from Magdalen Islands, to defend him at the inquiry. This was refused, as instructions from general superintendent were to lose no time in proceeding with the investigation and be thorough.

3. L'Etoile was not refused permission to cross question witnesses, but he wanted to prevent them from speaking, which he was not permitted to do. He was told he would be given fair play, and to bring his witnesses, but he would not do so.

4. Dr. Paquet, member for L'Islet, was present at the inquiry.

5. As requested by general superintendent, divisional superintendent McDonald informed Dr. Paquet of the day on which the inquiry would be held.

6. Dr. Paquet gave the names of the witnesses, and it was he who informed them to be present at the investigation. L'Etoile was notified by the agent at Ste. Louise, as stated in No. 1 above.

7. Charles Castonguay was employed on probation in the usual way.

8. Charles Castonguay has been employed in the place since July last. The position which is one of track labourer, does not require experience. The limit of age for employment of inexperienced persons is thirty-five years. Charles Castonguay attained the age of thirty-five years in July last. He is able to read and write and passed a satisfactory medical examination.

9. There was no representative of the brotherhood present at the investigation.

THE HIGH COST OF LIVING.

Mr. DEVLIN:

1. Has the Government been made aware of the following article appearing in the Ottawa Citizen on the 24th day of October, 1912?

Montreal, October 23.—It was announced to-day that plans are being prepared for a mass meeting to be held in the Monument National or some other large hall, the object of which will be to draw the attention of the Federal Government to the necessity for immediate action to reduce the high cost of living in the country generally and in Montreal particularly.

Alderman Blumenthal declared to-day that investigation which had been quietly carried out lately by a number of those who are behind the proposition, have disclosed extraordinary revelations in connection with the storage of food in the cold storage plants of the city.

In one refrigerating plant alone, it is said, there are 15,000 tons of meat, while in other foodstuffs have been accumulating for the past three or four months until now there is hardly room between the ground floor and the roof for a case of eggs.

There is enough food in the cold storage houses and refrigerating plants of Montreal to feed the whole population of Canada for six months, was the declaration of Alderman Blumenthal.

In every storage plant in the city there is hardly space left for another ton of goods. Eggs, cheese, butter, meat, fish, practically every foodstuff is being held by a huge trust which controls the various plants. The goods are being hoarded until there is a scarcity during the winter months when they will be put on the market at high prices.

2. What steps, if any, has the Government taken to inquire into the increased cost of high living and reduce the same?

Mr. CROTHERS:

1. No.

2. It was thought that perhaps the hon. member asking this question desired to learn 'the steps if any, the Government had taken to inquire into the increased cost of living.' But as he insists upon an answer to the question in its present form, it must be said that the term 'increased cost of high living' is too indefinite to permit of a definite answer.

INTERCOLONIAL RAILWAY—SPUR LINE AT DORCHESTER.

Mr. EMMERSON:

1. How many steamers have been loaded or unloaded with freight at the railway wharf, so-called, at Dorchester, N.B., in connection with the spur line of the Intercolonial railway at that port, since the opening of navigation in the spring of 1911, to the present date, and how many schooners, ships, barges,

scows or other vessels during the same period?

2. What quantity of freight, and how many carloads of such freight, has or have been shipped to and from said wharf over the Intercolonial railway in connection with the shipments by or from said steamers or other vessels, and what amount of money in the way of freight rates was paid to the Intercolonial railway in connection therewith during that period?

3. Was the work in connection with such shipments under the supervision and charge of the station agent at Dorchester, and did he have any assistant to aid him in connection therewith? If so, whom and what did it cost the railway for such assistance during that period?

Mr. COCHRANE:

1. Three steamers; twenty-nine schooners and three scows have been loaded. Unloaded twenty-four steamers; ten schooners and thirty-two scows. Total one hundred and one.

2. Freight shipped 84,817 tons; 2,048 carloads, freight charges were $24,272.39; freight received 15,712 tons; 370 cars; freight charges, $4,189.17.

3. The work in connection with such shipments was under the supervision of the agent at Dorchester and he did not have any assistant to aid him in connection therewith.

INTERCOLONIAL RAILWAY—CARS AND LOCOMOTIVES.

Mr. EMMERSON:

1. How many box, refrigerator or other freight cars were in use on the Intercolonial railway on the 31st day of December, 1912, and what was the number of each particular class or kind?

2. How many of these cars, with the number of class and kind, were Intercolonial cars belonging to the railway?

3. How many Intercolonial freight cars, with the number of each particular kind and class, were in use on that date on other Canadian railways, or railways in the United States, or were on such date in possession of such railways, respectively?

4. How many freight cars of other Canadian railways, with the number of each class and kind, and the railway which owned or claimed them, were in use on or in the possession of the Intercolonial railway on the 31st day of December, 1912?

5. How many freight cars in the United States railways, with the names of the railways which owned or claimed them, and the number of each class and kind, were in use on or in the possession of the Intercolonial railway on the 31st day of December, 1912?

6. What was the number of freight cars, with the number of each particular class and kind, owned by the Intercolonial railway on the 31st day of December, 1912, and how many of each kind respectively, were in commission and in use, or fit to be used, on that date, and how many of each, respectively, were disabled or undergoing repairs at that date?

7. Have any new cars been constructed at the Intercolonial railway shops during the year 1912? If so, how many, with class and kind, and are any now under construction there? If so, how many?

8. Have any new locomotives been constructed at the railway works in Moncton during the past year? If so, how many?

9. Are any now under construction at said works? If so, how many?

Detailed statement filed by the Minister of Railways with the Clerk of the House.

INTERCOLONIAL RAILWAY—TRAIN TICKET AGENTS.

Mr. EMMERSON:

1. How many ticket agents or train agents, so-called, are in the employ of the Intercolonial railway, engaged in collecting tickets and fares or attending to a portion of the work formerly performed by the conductors of the railway, on the trains of the Intercolonial, on what divisions of the railway, on what trains are they so employed, what are their names and what salary is paid each respectively, and what was the occupation of each such train agent respectively, previous to their employment by the railway in this particular work?

2. What salaries or wages are paid per month to the conductors employed and engaged, respectively, on the trains where such train agents are also so employed?

3. What have been the results secured by the employment of such train agents, and what advantage has accrued to the railway by reason of such train agents on the Intercolonial?

4. Have any particular results been thereby demonstrated on the eastern division of the railway? If so, in what direction, and has there been, as a result, any financial gains in the matter of passenger fares or earnings on that portion of the railway? If so, to what extent?

5. Can any particular details be given or results set forth as to the financial or other gains and benefits accruing to the railway, or to the conserving of its receipts and earnings, by reason of the creating of these offices of train agents and the engagement of such officials, in addition to the conductors necessarily employed on the same trains?

6. What has been the total cost of the engagement of such train agents, since the inauguration of the system to the present date, or what is the total amount paid to these officials in wages and in expenses to the present date respectively?

Detailed statement filed by the Minister of Railways with the Clerk of the House.

PURCHASE OF PROPERTY AT ST. GABRIEL DE BRANDON.

Mr. BELAND:

1. Has the Government acquired a piece of ground at St. Gabriel de Brandon, county of Berthier, for the purpose of erecting a public building?

2. If so, how much has been paid?

3. What is the name of the vendor?

4. On what date was the contract signed?

5. Before what notary was this contract passed?

6. By whom was this notary recommended and where is his residence?

Mr. ROGERS:

1. Yes.

2. $2,000.

3. J. H. Michaud.

4. The agent of the Minister of Justice has not yet reported that the deed of sale is executed.

5. C. A. St. Germain, notary, is in charge of the transaction.

6. By the hon. member for the county of Berthier. This notary resides at St. Barthélemi, county of Berthier.

QUEBEC HARBOUR COMMISSION.

* Mr. LEMIEUX:

1. Who has been appointed solicitor for the Quebec Harbour Commission?

2. What are the names of the new engineers of the Quebec Harbour Commission?

Mr. HAZEN:

1. Gustavus G. Stuart, K.C.

2. Messrs. A. T. Goode and M. F. G. Wilson, of the firm of Goode, Matthews. Fitzmaurice & Wilson of London, England.

DEPARTMENT OF MINES.

Mr. LANCTOT:

1. Is the Prime Minister aware that in the last by-election in Hochelaga county it was stated in the Montreal papers that the Department of Mines would be transferred to the Department of the Secretary of State?

2. Was the statement authorized by the Government?

3. Is it the intention of the Government to effect such a transfer? If so, when will it take place?

Mr. BORDEN: I am not personally aware of what was stated in the papers alluded to. An announcement will be made respecting the matter in due course.

MONTREAL POST OFFICE.

*Mr. CARVELL :

1. Has Mrs. Francœur been appointed at the Montreal General Post Office?

2. If so, what is her salary, and who recommended her appointment?

Mr. PELLETIER :

1. Mrs. Ernestine Francœur reported for duty on the 6th December, 1911, in the Montreal post office.

2. Her present salary is $800 a year. She was appointed on the recommendation of the Postmaster General.

GOVERNMENT OFFICES AT MONTREAL.

*Mr. LEMIEUX :

1. Has the Government rented an office at No. 103 St. Francois Xavier Street, Montreal?

2. If so, for what purpose and from whom?

3. What is the rental paid?

4. Who is in charge of that office?

Mr. CODERRE :

1. Yes, two rooms.

2. (a) To accommodate officers of the Department of Public Works, temporarily; (b) from the Seminary of St. Sulpice.

3. $726.40 per annum.

4. Messrs. Deschamps and Lymburner.

WHITE HEAD CUSTOMS OFFICER.

Mr. SINCLAIR :

What salary is payable to Mr. Clarence Wells, customs officer at White Head, N.S.?

Mr. REID : The salary of Clarence V. Wells, acting preventive officer of customs at White Head is $400 a year.

SAYABEC STATION.

Mr. LAPOINTE (Kamouraska):

1. Who obtained the contract for building the station at Sayabec?

2. What is the amount of this contract?

Mr. COCHRANE :

1. J. W. Begin, of St. Moïse, P.Q.

2. $5,675.

BAIE DES CHALEURS AND ATLANTIC RAILWAYS.

Mr. MARCIL :

1. Has the Minister of Railways and Canals, or any other member of the Government been requested by the Quebec and Oriental railway, the Atlantic Quebec and Western railway, or any one on their behalf, to ascertain to whom would be payable the $50,000 which each and both of these companies are required to pay into the Minister of Railways and Canals, for distribution among unsecured claims for labour, board and supplies, in connection with the construction of the Baie des Chaleurs and the Atlantic and to the Superior railways, if the former companies required the latter road or roads, under the Dominion Statute 1907, chapter 122 and 63, respectively?

2. Has any action whatever been taken by the Government in this connection since October 11, 1911?

Mr. COCHRANE :

1. In so far as this department is aware, no such request has been made by either of the companies named.

2. Certain claimants made application for the appointment of a commission and the Minister of Railways and Canals gave instructions to make the appointment, subject to their giving satisfactory security for the payment of the expenses of the commission. Such security not having been given, the commission has not yet been appointed.

ATLANTIC AND SUPERIOR RAILWAYS.

Mr. MARCIL :

1. Has any application been made to the Government, or any of its departments since October, 1911, to date, for the payment of a balance of subsidy voted to the Atlantic and to the Superior railway for the completion of its line to New Carlisle, Quebec?
2. If so, by whom was such application made, and on whose behalf?
3. Has any action been taken on such application?

Mr. COCHRANE :

1. No application has been made to the Department of Railways and Canals since October, 1911, for the payment of a balance of subsidy voted to the Atlantic and to the Superior railway for the completion of its line to New Carlisle, Quebec.
2 and 3. Answered by No. 1.

BEDFORD MAIL SERVICE.

Mr. MACLEAN (Halifax):

1. What is the name of the postmaster at Bedford, N.S.?
2. What amount did he receive in 1911 and 1912, respectively, for salary, rental of post office, sale of stamps, money orders and post cards?
3. Who has the contract for the conveyance of the mails to and from the railway station of Bedford to the post office at that place?
4. What is the contract price for the conveyance of such mail contract?

Mr. PELLETIER:

1. Mrs. J. Mackenzie.
2. 1911, $423.36; 1912, $431.29.
3. Jessie Mackenzie.
4. Seven cents per trip, amounting to $153.37 per annum.

SOUTH MILFORD AND LAKE MUNROE MAIL SERVICE.

Mr. MACLEAN (Halifax):

1. Who is the contractor for the conveyance of mails from South Milford to Lake Munroe post office, Annapolis county, N.S.?
2. When was the said contract last made or awarded and were tenders asked for the same?
3. What is the sum paid annually under the existing contract for said service?

Mr. PELLETIER:

1. Isaih Munro.
2. (a) 1st January, 1913; (b) as this is a contract under $200, it was not necessary to invite tenders.
3. $65 per annum.

H.M.C.S. NIOBE REPAIRS.

Mr. MACLEAN (Halifax):

What was the amount charged per day by the Halifax Graving Dock Company for the use of its dock for the repairs of H.M.C.S. Niobe.

Mr. HAZEN: A separate charge was not made for the use of the dock during the repairs to H.M.C.S. Niobe. The regular charge for such use of the dock would be as follows, per day: first day, $1,200; next five days, $720; subsequent days, $480.

INTRECOLONIAL RAILWAY—TIES.

*Mr. LANCTOT:

1. Was a contract for the delivery of ties to the Intercolonial railway granted to Dame Marie Bibane Bellavance, of Sayabec, county of Rimouski?
2. If so, for what quantity, at what date and at what price?
3. Were tenders asked for the execution of this contract? If so, what were the names of the tenderers?
4. Did the member for Rimouski recommend the granting of this contract?

Mr. COCHRANE:

1, 2, 3, 4. No contract for the delivery of ties to the Intercolonial railway was granted to Dame Marie Bibiane Bellavance, of Sayabec, county of Rimouski.

SAYABEC POSTMASTER.

*Mr. LANCTOT:

1. What is the name of the postmaster at Sayabec, county of Rimouski?
2. What is the date of his appointment?
3. Who has been appointed to replace him, and who recommended his appointment?

Mr. PELLETIER:

1. Miss H. Joubert was postmistress at Sayabec.
2. She was appointed on July 28, 1908.
3. Mr. Antoine Rioux has been appointed her successor by direction of the Postmaster General.

COUNTY OF L'ISLET—PREVENTIVE OFFICERS.

Mr. GAUVREAU:

1. Have Alphonse Pelletier, of Ste. Perpétue, and Pierre Eugène Ménard, of L'Islet, been appointed preventive officers?
2. If so, what is the salary of each?
3. What are their duties?
4. Have they made any report since their appointment?
5. Have they done any work in return for the salary paid them?
6. Does the Government believe that the public service requires three preventive officers in the county of L'Islet?
7. Has Joseph Dupont, preventive officer at St. Roch des Aulnaies, made any report since his appointment?
8. Is the Government informed that this officer, as alleged, does not do any work in return for the salary paid him?

Mr. NANTEL:

1. Yes.
2. A. Pelletier, $200 as preventive officer and $300 as food inspector. P. E. Ménard $200 as preventive officer.
3. Preventive work, and, in Mr. Pelletier's case, taking samples under Adulteration of Foods Act.

4. Mr. Ménard has not. Mr. Pelletier has in connection with his duties as inspector of food.

5. Answered by No. 4.

6. It has been so represented.

7. No.

8. No.

ROCKDALE TOWER POSTAL SERVICE.

Mr. PROULX:

1. When and why was the post office at Rockdale Tower, Ontario, closed?

2. Who were the tenderers for the mail service between Rockdale Tower and Plantagenet, and what was the amount of the respective tenders?

3. Is it the intention of the Post Office Department to re-open the said post office?

Mr. PELLETIER:

1. The postmaster tendered his resignation, and the inspector reported that no other person could be found willing to accept the post office. As the postmaster persisted in his refusal to continue in charge, the department was obliged to close the office on the 16th October last.

2. When Rockdale Tower was closed, the contractor refused to accept a pro rata reduction in pay for the decreased distance. Arrangements were then made to serve Rollway and Centrefield post offices from Wendover.

3. The office cannot be re-opened unless some suitable person can be found to assume the duties of postmaster.

EXPERIMENTAL STATION AT NEW CARLISLE.

Mr. MARCIL:

1. Has the Government under consideration the acquiring of the Robitaille or Riopel property at New Carlisle for the establishment of an agricultural farm or experimental station?

2. Has any proposal been received to that effect by the Government?

Mr. BURRELL:

1. No.

2. Yes.

FENIAN RAID VETERANS.

Mr. PROULX:

Is it the intention of the Department of Militia and Defence to issue certificates for the payment of the volunteer bounty grant to the following Fenian Raid veterans:—Messrs. Ralph LeRoy, William LeRoy, Leonard Bertrand, John Blaney and Martin Ogden, of Vankleek Hill, Ontario? If so when?

Mr. HUGHES: The application of Messrs. Ralph LeRoy, William LeRoy and Leonard Bertrand are now being considered. The application of Messrs. John Blaney and Martin Ogden have not yet been reached.

Mr. NANTEL

INTERCOLONIAL RAILWAY—INSPECTION OF BRANCH LINES.

* Mr. GAUVREAU:

1. Has Professor Kirkpatrick, of Kingston, Ontario, been employed by the present Government to inspect certain railway branches connecting with the Intercolonial railway?

2. If so, what railway branches have been so inspected by him?

3. Has a report of them been made?

4. Is it printed for distribution to the members of this House?

Mr. COCHRANE:

1. Yes.

2. Temiscouata railway, Cumberland railway, New Brunswick and Prince Edward Island railway, Caraquet, Gulf Shore railway, Moncton and Buctouche railway, St. Martin's railway, Elgin and Havelock railway, Kent Northern railway, York and Carleton railway, Cape Breton railway, Salisbury and Albert railway, Vale railway and North Shore railway.

3. Yes.

4. No.

BRIGHAM-FARNHAM MAIL CONTRACT.

Mr. KAY:

1. When did the contract expire for carrying the mail between Brigham and Farnham centre in the county of Brome?

2. Who was the former contractor, and what remuneration did he receive?

3. Who is performing the service at present, what remuneration is he receiving, and has he a contract?

4. Is it the intention of the Government to make this a rural mail delivery route?

Mr. PELLETIER:

1. The department, in order to make provision for rural mail delivery, gave the contractor three months' notice of cancellation on the 5th June, 1912. On the expiration of the three months' notice the department had not been able to make the necessary arrangements for rural mail delivery, but the contractor refused to continue and temporary arrangements had to be made.

2. A. Monast, $95 per annum.

3. Charles Burnett, at the rate of 50 cents per trip, which the Montreal post office inspector recommended as being fair and reasonable in view of the fact that this is only a temporary arrangement.

4. Yes. The department is inviting tenders for the inauguration of rural delivery.

IMPORTS OF DOORS.

Mr. STEWART (Hamilton):

1. How many American doors have been shipped into Canada each year for the past five years?

2. How many of these came into the province of Ontario?

Mr. REID:

1. This information is not available in the classified reports of imports.

2. Doors of wood are not specified in the customs tariff, and are not separately classified in the customs statistical returns, being manufactures of wood and included with other manufactures of wood.

GRANDE RIVIERE WHARF.

Mr. LEMIEUX:

1. Was a cheque made to the order of Emerie Lambert, in the course of last autumn, by the Department of Public Works, for work done to a wharf at Grande Rivière, county of Gaspé?

2. To whom was this cheque addressed?

3. Is the department informed that this cheque was, as alleged, endorsed by Zenon Roussy, superintendent of works, of the wharf at the Grande Rivière, and negotiated by him without the knowledge of the said Emerie Lambert?

4. What are the instructions of the department as to the payment of cheques?

Mr. ROGERS :

1. Two cheques, viz.: No. B 45858, for August wages, $3.75; No. B 49056, for September wages, $6.88.

2. Cheques were sent along with the other cheques for men engaged on that work to the foreman, Zenon Roussy, for distribution.

3. The above-mentioned cheques are now in the department after payment by the bank. They both bear endorsation as follows: 'Emerie Lambert, Zenon Roussy.' The department has received a written statement over the name 'Emerie Lambert' in which he says that he has never received payment for either of the above months' wages.

4. Cheques in payment of wages are sent to the foreman of the work, with instructions to distribute them to the several persons in whose favour they are drawn.

DRILLING ON FLETCHER'S FIELD.

*Mr. LEMIEUX :

What arrangements, if any, have been made by the Minister of Militia regarding the drilling of troops on Fletcher's field, Montreal?

Mr. HUGHES : The matter is under consideration between the city of Montreal and the Department of Militia and Defence.

ST. GERMAIN WHARF.

Mr. LAPOINTE (Kamouraska):

1. Has material been purchased by the Department of Public Works for the building of a wharf at St. Germain de Kamouraska?

2. If so, from whom was this material purchased and at what price?

3. Who recommended the purchase of the said material, and did the department ask for tenders before purchasing it?

4. Is it the intention of the Government to have this wharf built by the day or by contract?

Mr. ROGERS :

1. Yes.

2. Murray Castonguay, at $200.00.

3. (a) Mr. Potvin; (b) No.

4. By contract, and contractor to take over materials purchased.

HONORARY COLONELS.

*Mr. LAPOINTE (Kamouraska):

What are the names of all the persons who have been appointed honorary Colonels by the Department of Militia and Defence since the 21st September, 1911?

Mr. HUGHES : Sir Thomas R. Shaughnessy, K.C.V.O.; Sir William Mackenzie, Kt. (Hon. Lt. Col.); Sir Donald D. Mann, Kt. (Hon. Lt. Col.); the Hon. Frank Cochrane; D. McNichol, Esq.; E. J. Chamberlin, Esq.; W. Wainwright, Esq.; Hon. C. Sifton, K.C.; Hon. A. Beck; James L. Hughes, Esq. (Hon. Lt. Col.); Lieut.-Colonel F. H. J. Dibblee, R.O.; A. H. Mackay, LL.D.; Lieut.-Colonel C. P. Davidson, R.L.; A. D. Davidson, Esq. (Hon. Lt. Col.); D. R. Wilkie, Esq.

AUGUSTE DESJARDINS, EMPLOYMENT.

Mr. LAPOINTE (Kamouraska):

1. Is Mr. Auguste Desjardins, of St. Denis, county of Kamouraska, in the employment of the Customs Department or of any other department?

2. If so, what are his duties and what is his salary?

Mr. REID:

1. Auguste Desjardins, of St. Denis, P.Q., is employed as an acting preventive officer of customs.

2. His duties are to aid in the prevention of smuggling. His salary is $400 a year.

WALL BOARD IMPORTATIONS.

Mr. WHITE (Renfrew):

1. How much, if any, of Sackett plaster board, or other manufactured wall board, having gypsum as a base, has been imported into Canada each year during the past ten years?

2. How much, if any, manufactured hollow tiles or partition blocks, having gypsum as a base, has been imported into Canada each year during the past ten years?

3. How much, if any, hard wall plaster or plaster cement, manufactured, having gypsum as a base, has been imported into Canada each year during the past ten years?

4. How much, if any, scagliola or imitation marble manufactured or prepared, having gypsum as a base, has been imported into Canada each year during the past ten years?

Mr. REID: The information asked for in this inquiry is not available in the classified reports of imports. The articles mentioned are not specified in the customs tariff, and are not classified by themselves in the customs statistical returns, being included with other manufactures covered by a common tariff item.

PROCEEDINGS AGAINST GRAND TRUNK RAILWAY OFFICIALS.

Mr. RHODES:

1. Is the Government aware that proceedings have been taken in the State of New York against the Grand Trunk Railway Company, or the Grand Trunk Pacific Railway Company, for failing to extend their lines in New England or in other parts of the United States?
2. What is the nature of such proceedings?
3. When is it expected that they will be brought to a conclusion?
4. What are the obligations and responsibilities of the said two railway companies under the contracts and statutes providing for the construction of the National Transcontinental railway?
5. To what extent, if any, will those obligations or responsibilities be probably affected by the pending proceedings in the courts of the United States?

Mr. BORDEN:

1. The Government is informed that proceedings have been taken in the state of New York but understands that such proceedings are against officials of the Grand Trunk Railway Company.

2. The Government has no exact information but understands that the proceedings have been taken by way of indictment for alleged contravention of the laws of the United States respecting the regulation and control of railways.

3. The Government has no information on the subject.

4. The obligations and responsibilities of the companies are set forth in the contractual and statutory provisions which are embodied in chapter 71 of the Acts of 1903 entitled 'An Act respecting the Construction of a National Transcontinental Railway' and chapter 24 of the Acts of 1904 entitled 'An Act to Amend the National Transcontinental Railway Act.' Both companies are also subject to the provisions of the general statutes of Canada relating to railways under federal jurisdiction, that is to say, chapter 58 of the Acts of 1903 entitled 'An Act to Amend and Consolidate the Law respecting the Railways' and the various Acts since passed by Parliament in amendment thereof. By the contract and amending contract which were ratified by the Acts of 1903 and 1904 above mentioned the Grand Trunk Railway Company assumed obligations in respect of the construction of the western division of the National Transcontinental railway; and the Grand Trunk Pacific Railway Company undertook the construction of that division within a stated period, which has since been extended. The Grand Trunk Pacific Railway Company also undertook to operate the eastern division of the said railway under lease from the Government for a period of fifty years upon the terms set forth in the contracts and confirming statutes. Among other important obligations of the company are those contained in sections 42 and 43 of the contract of 1903, which are as follows:

42. 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.

43. 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.

5. The Government has no information at present that they will be in any way affected. The Grand Trunk Railway Company holds the capital stock of the Grand Trunk Pacific Railway Company and controls the undertaking of the last named company. The Government recognizes its duty to take all appropriate and available steps for the purpose of preventing any violation or disregard of the provisions of the above mentioned contracts and statutes, whether by diversion of traffic from Canadian ports and routes or by any such undue or improper diversion of the companies' resources as would delay or interfere with the completion and operation of the National Transcontinental railway in accordance with the companies' obligations to the people of Canada.

OTTAWA FEDERAL DISTRICT.

Mr. LEMIEUX:

Has the Government considered the proposal of making a federal district out of Ottawa?

Mr. BORDEN: Memorials have been presented to the Government advocating such

proposals, but the subject has not been considered by the Government.

FUR FARMING.

Mr. EMMERSON:

1. Is it the intention of the Government to have prepared and issued in the near future by some one of the departments, of the Government, a pamphlet or treatise relating to the propagation of fur bearing animals in captivity in Canada?

2. Is the Government aware that a pamphlet or treatise bearing on the same subject has recently been issued by the Quebec Government through its Department of Colonization?

Mr. BORDEN: The Government has not yet given consideration to this subject, which seems more especially to appertain to the provinces. The Government will be glad to co-operate in any reasonable and proper way for the purpose of disseminating useful information on this or any other important subject of general concern.

RURAL MAIL DELIVERY.

Mr. PROULX:

1. How many tenders were received by the Post Office Department for the proposed rural mail delivery service between L'Orignal, Cassburn, Henry, McAlpine, Caledonia Springs and Ritchance?

2. Who are the tenders and what is the amount of their respective tenders?

3. Is it the intention of the department to establish the said service?

Mr. PELLETIER:

1. Five.

2. Damase Lanthier, L'Orignal, $995 per annum; D. G. Howes, L'Orignal, $1,000 per annum; Trefflé Hunault, L'Orignal, $1,095.50 per annum; Nap. Marleau, Ritchance, $1,200 per annum; Jos. Paquette, Henry, $1,400 per annum.

3. Since the tenders were received a suggestion to improve the proposed route has been received and the department is now investigating.

DISMISSALS.

*Sir WILFRID LAURIER:

1. When were F. X. Gosselin, gold commissioner, and Napoléon Laliberté, land title agent, at Dawson, dismissed?

2. What were the reasons for their dismissal?

3. Were they dismissed after inquiry?

4. What was the date of the respective Orders in Council?

5. Have they been replaced? If so, by whom, and what was the date of the Order in Council?

Mr. ROCHE:

1. On the first day of June, 1912.

2. Poltical partisanship and incompetency.

3. Not considered necessary to have a formal inquiry.

4. Reports to council prepared April 30 and May 1, 1912, respectively, but were not formally dealt with until January 25, 1913.

5. Yes. By George P. MacKenzie, gold commissioner, promoted. By Albert E. Lamb, B.A., LL.B., appointed. Entered upon their duties June 1, 1912. Formal Orders in Council were passed January 25, 1913.

Mr. LAPOINTE (Kamouraska):

1. Has Mr. Lemay, postmaster at Hebertville, Ste. Croix du Lac à la Croix, been dismissed?

2. If so, for what reason, on whose request and on what date?

Mr. PELLETIER: 1 and 2. A re-arrangement of the mail service giving an improved services to this district having been directed by the Postmaster General, it was considered advisable to change the location, also changing the names of the Lac Sec and Lac a la Croix post offices. Changes in the postmasters of both these offices were made, therefore, at the same time. The transfer of the Lac Sec post office from Mr. A. Lemay to the new postmaster took effect on the 21st June, 1912.

Mr. LAPOINTE (Kamouraska):

1. Has Joseph Hébert, postmaster at Normandin, county of Chicoutimi and Saguenay, been dismissed?

2. If so, what date, at whose request and for what reason?

Mr. PELLETIER: 1 and 2. Mr. J. B. Herbert was not postmaster at Normandin. His appointment was at one time contemplated, but was never carried out.

Mr. LAPOINTE (Kamouraska):

1. Has Mr. S. Larouche, postmaster at St. Henri de Taillon, county of Chicoutimi and Saguenay, been dismissed?

2. If so, for what reason, on what date and at whose request?

Mr. PELLETIER: 1 and 2. No, the postmaster of Taillon, not St. Henri de Taillon, was dismissed. He tendered his resignation, which was accepted by the department.

Mr. LAPOINTE (Kamouraska):

How many employees in the Department of Public Works have been dismissed in the county of Rimouski since the 21st of September, 1911, and what are the names of the said employees?

Mr. ROGERS: Eight employees—Achille Durette, contract inspector at Bic; Joseph Lemieux, foreman of works at Méchins; Absolon Aubin, contract inspector at Matane; Alphonse Morin, foreman at Rivière Blanche; Marcellin Peppel, foreman at

Father Point; Johnny Raice, foreman at Bic; J. Bélisle, inspector of works at Bonaventure; Adhemar Lepage, caretaker and postmaster at Rimouski.

Mr. LAPOINTE (Kamouraska):

How many employees in the Marine Department have been dismissed in the county of Rimouski since the 21st September, 1911, and what are their names?

Mr. HAZEN: Six dismissals in county of Rimouski, P.Q.—Messrs. Francois Belanger, L. J. Lavasseur, Louis Pinault, J. L. Theriault, J. J. McWilliams, Thomas LePage.

Mr. LAPOINTE (Kamouraska):

How many employees of the Interior Department have been dismissed in the county of Rimouski since the 21st of September, 1911, and what are the names of the said employees?

Mr. ROCHE: None.

Mr. LAPOINTE (Kamouraska):

How many employees of the Department of Customs have been dismissed in the county of Rimouski since 21st September, 1911, and what are the names of the said employees?

Mr. REID: Two employees of the Department of Customs have been dismissed in the county of Rimouski since 21st September, 1911, viz: M. J. Lepage, collecter of customs—for partisanship; J. S. Gauvreau, acting preventive officer—for partisanship.

Mr. LAPOINTE (Kamouraska):

How many employees of the Department of Inland Revenue have been dismissed in the county of Rimouski since the 21st September, 1911, and what are the names of the said employees?

Mr. NANTEL: No officers from the Inland Revenue service in the county of Rimouski have been dismissed since 21st September, 1911.

Mr. PACAUD:

1. Was Miss Marie Delia Roberge dismissed from the position of postmistress at Coleraine station, county of Mégantic?
2. If so, what was the reason, and on whose recommendation?

Mr. PELLETIER:

1. Yes.
2. For political partisanship, on recommendation of Postmaster General.

Mr. DELISLE:

1. Has Miss Josephine Rodrigue, of Portneuf, county of Portneuf, been dismissed as lightkeeper? If so, for what reason?
2. Who has replaced her, what is his name, his age and at what salary?

Mr. HAZEN:

1. Yes; intemperate habits and inattention to duty.

Mr. ROGERS.

2. Mr. Edmond Paradis, 36 years, $320 per annum, rising by annual increments of $15 to a maximum of $380.

ALGOMA STEEL COMPANY.

Sir WILFRD LAURIER moved:

For a copy of all applications addressed to the Government by the Algoma Steel Company for remission of duties on rails imported by the said company at Fort William; of all correspondence on the same, of all evidence sought and obtained by the Government and supplied by the company in support of its application; and of all Orders in in Council ordering such remission of duties.

Mr. MACLEAN (Halifax): May I ask the hon. Minister of Finance if the return required by the statute in connection with any remission of duty has been laid before Parliament? I think that such a report must have been made within fifteen days after the opening of Parliament.

Mr. WHITE (Minister of Finance): I am unable to say at the present moment, but I shall be very glad to look into the matter.

Motion agreed to.

QUEBEC RAILWAY, LIGHT, HEAT AND POWER COMPANY.

Hon. RODOLPHE LEMIEUX (Rouville) moved:

For a copy of all correspondence in connection with the issue of letters patent to the Quebec Railway, Light, Heat, and Power Company, Limited, and also of said letters patent.

He said: Mr. Speaker, the French financial papers have been stating freely that a loss of 17,860,000 francs has been incurred by the unfortunate French investors who have put their money into this undertaking. I state now what the financial papers in France have been repeating from week to week for many months; I am not myself taking the responsibility for these statements. The Quebec Railway, Light, Heat and Power Company, better known as the Quebec merger, was organized, I believe, in December, 1909. Its object was to absorb the several companies which had been engaged for some years in the exploitation of the various public utilities in Quebec, such as the tramway service in the city and suburbs, the light and heat service, and the generation of electrical energy in Quebec and its immediate vicinity. The companies which were to be absorbed by the Quebec merger were: the Quebec-Jacques Cartier Company, the Frontenac Gas Company, the Quebec Gas Company, the Quebec Railway, Light and Heat Company, and the Canadian Electric Light Company. These various companies were bonded to the extent of $3,959,000 and there was

standing as common stock for these companies $4,612,500, making a total of $8,571,500. The Quebec merger took hold of these various concerns, but did not absorb them, legally speaking; the Quebec merger being what is termed a holding company. However, the companies were floated at a capital in the neighbourhood of $10,879,100, which was an inflation of $2,307,600 on the $8,571,500 which represented the bonds and common stock of the companies named. The issue for the Quebec merger was launched on the French market. Now, Mr. Speaker, I have at various times said in this House, notably at the end of last session, that if we cannot expect a large immigration from France because the French people do not emigrate, or, if they do, they emigrate to Argentine or some of the Southern countries, we can at least expect from France, which has been called the banker of bankers, a large amount of capital for the promotion of Canadian undertakings. There is an enormous amount of money in that French reservoir, and, provided the schemes are legitimate, provided honesty is at the basis of each enterprise, we can expect to have the good will of the French financiers and their participation in Canadian development. Not long ago, one of the most distinguished statesmen in France, Mr. Gabriel Hanotaux, who for many years—no, not for many years but for many months, because the ministries do not last long in France—was minister in the Government of France, speaking at a dinner of the Comité-France-Amérique, said: 'As regards the financial relations of France with Canada, give us the maximum security and you will receive in return the maximum of confidence on our part.'

The Quebec merger was launched on the French market, and various subsidiary enterprises were also launched, all under the auspices of the Quebec merger. There was not only the Quebec merger proper, but there were various enterprises launched under its auspices, such as the Quebec and Saguenay railway, the Quebec and Eastern railway, to mention only two of the issues which were taken up unfortunately by the French investors. The result has been simply appalling; the name of Canada has been besmirched in France, and it will take years and years before the good name and reputation of the Dominion stands as high among the financial men of France as it should stand in the eyes of the financiers of all countries. The French Government has ordered an investigation, but before I reach that point, let me say that the French bondholders—they bought the bonds of the Quebec merger to the extent of 17,860,000 francs on false representations made in the various prospectuses for the different enterprises that were launched—these innocent victims, formed what I might call a vigilance committee, and they sent here one of the most experienced engineers, Mr. Paul Gaudin, who came to Canada last year and made a lengthy report to the bondholders on his return to France. I cannot read the whole of that report; because it is too long and I cannot even analyse it, because it is too intricate. I believe, knowing as I do the honesty of purpose of the Prime Minister, that he will conclude that justice can be meted out only after the fullest investigation by a special committee of this House has been obtained. In my opinion, special accountants and auditors should take hold of the whole matter and report to the Government. Let me quote just one paragraph of that report:

> The Quebec Light Heat and Power Company has not absorbed its subsidiary companies, as published, in spite of the specifications of its charter. It has only, in its quality of holding company assumed the control of these controlled companies in conformity with the terms of its charter. In view of that fact, the Quebec Railway Light Heat and Power Company has placed with the trustees a stock of these bonds not in exchange of the old titles—which is unrealizable—but to cover the initial bonds which fact—according to Mr. Gaudin—has given quite a different classification to the two groups of bonds.

This, according to Mr. Gaudin, has given quite a different classification to the two groups of bonds. In a word, the unfortunate French bondholders have a moral guarantee that the titles they hold are good for something; but the original companies have covered their mortgages on their various holdings of Quebec. As a matter of fact, the French investors ranked only in second order; they have no other guarantee. This explains why the stock, which was inflated on the French market during a little breeze, has fallen down to practically nothing in the last few months.

Mr. Gaudin in his report condemns a series of works which was undertaken by the board of administration which controlled the Quebec merger. He says that this series of works was partly undertaken during the last Dominion elections, and he condemns the works as being utterly futile, to use his own words. Besides that, he condemns a series of private speculations which took place out of the money of the unfortunate French bondholders. He says that dividends were declared which were not earned, as is clearly established in his report. He also arraigns the Quebec merger, which originally was simply a tramway company exploiting the public utilities of Quebec, for having extended its field of

operation to the river Saguenay, and from the river Saguenay to the lake St. John district, by the construction of the Quebec and Saguenay railway which had nothing to do with the Quebec and Eastern railway. On the prospectus of one of the bond issues at least, the name of a minister of the Crown appears. I am quite sure that the Minister of Finance (Mr. White) and the Prime Minister would certainly not condone such an action on the part of a Minister of the Crown. Engineer Gaudin made his report on the 26th of August, 1912. The bondholders decided to refer the whole matter to an organization which exists in every European country, the National Association for the Protection of French Investors in Foreign Securities. This association has an international character; it works at times conjointly with a similar organization in Great Britain; it is organized with the object of protecting the French investors, the British investors, the German investors against foreign schemes. This Association would not take up a matter of that kind unless it were amply justified in doing so. On the 7th of December, 1912, a meeting was held in France at the Hotel Continental; 1229 French bondholders who had been mulcted in this Quebec merger were represented. Mr. A. Machart, president of the National Association, made a lengthy report, which I expect has reached my right hon. friend the Prime Minister.

Mr. BORDEN: No report has reached me.

Mr. LEMIEUX: No report has reached the Prime Minister. I have read the report three or four times; it is published in every financial paper of France; it has been reproduced in some of the Canadian papers. This matter constitutes one of the darkest chapters of frenzied finance in Canada. Mr. A. Machart's position in France and in Europe is equivalent to that of a minister of Finance, equivalent to that of the governor of the Banque of France. He generally works under the orders of the French Government. I will read only the conclusion of the report of Mr. Machart, and I sincerely hope the right hon. gentleman and the Minister of Finance will take cognizance of that most important report. After having analyzed the frenzied finance of the Quebec merger, he says:

The National Association will not fail to call the attention of the Canadian Government to the importance of the French interests involved in this transaction in case the bondholders will be compelled to ask its intervention.

Since this report has been published, the French Government—a friendly government. I may say, and even if it were not friendly it should be treated in a friendly way—has appointed two judges to investigate the various undertakings launched in the French financial market under the auspices of the Quebec merger. I have nothing more to add, Mr. Speaker, and shall await the production of the correspondence and documents mentioned. In the interests not only of the investors who have lost money in these undertakings, but of the poor widows and orphans who met in September last asking the French Government to intervene, and requesting the French ambassador in London to see that the proper authorities would take action, for the sake of decency and the honour of Canada and the province of Quebec, I sincerely trust that the Government will investigate the whole matter.

Mr. BORDEN: There is no reason whatever why the documents asked for by this motion should not be brought down, and this will be done in due course. I cannot see for the moment, however, that they will throw very much light on the matters referred to by my hon. friend. I have not seen the reports he has alluded to, nor do I know anything of the circumstances under which the investments he mentions were made. If any representations are made to us by the association or committee he mentions, or by the French Government, they will receive such consideration as is possible in view of the position of this Government in relation to such an undertaking. It is, of course, manifestly impossible that any federal or provincial government can undertake to guarantee investments made in Canada by the people of our own country, and I do not see that they are in a position to go further in that regard in respect of investments made in a foreign country. Apart from that, however, there may be features inviting the attention of the Government, and, should they be placed before us, they will receive such attention as is proper under the circumstances.

Mr. LEMIEUX: I would like to thank my right hon. friend for the manner in which he has received this motion. Might I be allowed to read what I said last year at the end of the session in discussing with my hon. friend the Minister of Trade and Commerce the question of the appointment of a commercial agent in Paris to succeed Mr. Poindron, who had acted for the Canadian Government for several years. I had directed the attention of my hon. friend to the fact that there were some good reasons why an agent should be appointed, and I said on that occasion:

Now, I come back to the point at issue. If we cannot expect to get the large immigration from France that we receive from other countries, we can reasonably expect to participate in its enormous wealth. The French capitalist is satisfied with a low rate of interest, lower than he can get in Canada. The

rate of interest the French capitalist can obtain in Canada, is a revelation to him. That explains why, during the last few years, so large an amount of French capital has been invested in Canadian business enterprises. I find that the total investments of French capital in Canada amount to $70,750,000 invested in manufacturing, industrial enterprises, mines, lands, mortgages, railways, sesurities, municipal and school bonds, as against Belgium, $811,673,000, as against Germany, $30,725,000, and as against Holland, $11,000,000. Now, I repeat that although we cannot expect to have a considerable French immigration into Canada, nevertheless we have during the last fifteen years been able to capture our small share of French immigrants. During the last ten years 17,000 Frenchmen have voluntarily left their country to settle in Canada. They belong to the high class of immigrants, they are men of means.

I think we can confidentially expect to receive yearly a still greater amount of French capital when our business men have become better acquainted with the peculiarities of the French trade, when our business enterprises become better known in France, and our country generally has been better advertised in Paris and the other large French cities. From that point of view alone we should seek to have in Paris a commercial agent who would be for the French people what I might call—perhaps the expression is too classical for the subject—a financial mentor, a man who will give ample and reliable information to the French business men, a man who would put himself and keep 'au courant' with the French financial interests generally. The other day I remember, in a lecture given in Ottawa by my hon. friend Mr. Wallace Nesbitt, he pointed out that the great trouble in Europe to-day, and especially in Great Britain, is that there are too many adventurers who are actually injuring the good reputation of Canada in foreign financial circles. Yes, Mr. Speaker, there are too many fakirs on the financial market of Great Britain. Any promoter can finance an enterprise in London—and it is very strange to find John Bull, with his keen business ability, being so easily entrapped and snared by these fake promoters.

I did not then anticipate, Mr. Speaker, that Jacques Bonhomme—not John Bull—would be snared and entrapped by the sharks who went from Canada to Paris, and who have caused the French investors to lose the enormous sum of 17,260,000 francs.

QUEBEC AND SAGUENAY RAILWAY.

Mr. LEMIEUX moved:

For a copy of all correspondence and other papers in connection with a proposed guarantee of bonds to the Quebec and Saguenay railway.

He said: Unfortunately my tale of woe is not completed. The Quebec and Saguenay is a dear child—not of mine—but it has often filed an appearance in the House during the last few weeks. I have kept on putting questions to my genial friend, the Minister of Railways and Canals (Mr. Cochrane), asking him if he intended to guarantee the bonds of the Quebec and Saguenay railway. My hon. friend, with his usual courtesy, has always answered that nothing had been done, until lately I was informed by him that a party of engineers had been sent on the uncompleted portion of the Quebec and Saguenay, and that an oral report had been made to him. I shall not anticipate what that report is because I have a motion on the paper which will give the minister an opportunity of filing that report, but I know that the gentlemen who are behind this Quebec and Saguenay are hard at work; they are surrounding my hon. friend, I shall not say day and night but very late at night in order to obtain that guarantee of bonds which, under present circumstances, would help them so much. I presume my hon. friend has resisted so far, although I am not sure. I hope he has resisted, I hope he will be moved by the spirit and will evict those who are trying to lead him into temptation. If, perchance, my hon. friend does not know the history of the Quebec and Saguenay, I shall try to educate him in that respect and in that respect alone. The Quebec and Saguenay railway is an off-shot of the Quebec merger. The bonds of the Quebec and Saguenay were issued, of course, in France—too many people in Canada knew that the enterprise was risky, but with a brilliant prospectus and with what we call a tour de passe-passe, or what you call in English, a léger de main, the Quebec and Saguenay became quite an important affair on the French market not so very long ago. It is, as I stated, issued under the auspices of the Quebec merger—and remember that the Quebec merger is a little tramway in the city of Quebec and its suburbs. This line covers a distance of fifty-six miles from St. Joachim to Murray bay. Twenty-six thousand bonds were sold on the French market as part of the merger system itself. The French people, reading the prospectus, were led to believe that the bonds were guaranteed by the Quebec Railway, Light, Heat and Power Company, a good enough enterprise by itself. According to the prospectus issued, the line is supposed to run from St. Joachim, in the county of Montmorency, where during the last election were displayed long streamers with the words, 'Long Live the Quebec merger.' It runs from St. Joachim to Murray bay, a distance of fifty-six and a half miles. The estimated cost, according to the prospectus, was to be $31,197 per mile, a very respectable cost. As a matter of fact, the cost of the part of the road that has been built is $52,000 per mile and according to the very eminent engineer who was sent to Canada last summer to investi-

gate quietly how the investments of the French people fared in Canada, it will cost in the neighbourhood of $62,000 per mile, so there is quite a margin between the figures advertised in the prospectus and the bill that somebody will have to foot in the long run. There were also other inaccuracies in that prospectus. By the way, I am not sure if on that prospectus the name of my hon. friend, my bosom friend, the Postmaster General, appeared. It did appear, however, on the prospectus of the Quebec Eastern railway, did it not?

Mr. PELLETIER: Oh, no, I never heard of it appearing.

Mr. LEMIEUX: Well, I shall read it in a moment. There were other inaccuracies in the prospectus. For instance, the French capitalists were told that this beautiful railway, starting from Quebec and skirting the rugged coast of the county of Charlevoix, would reach the famous spot, Murray bay, where President Taft has his summer residence and also ex-President Roosevelt. If there ever was a parting of the ways between truth and lies this is the case. I have been myself a summer resident at Murray bay for many years. It is quite true that Mr. Taft, before he was President, had a very modest villa on the coast of Murray bay, but when this issue was placed on the French market, the villa had been sold, and Mr. Taft as President of the United States was living in that other villa, the White House at Washington. As regards ex-President Roosevelt, we know where he had his summer villa; it was at Mombasa, when he was lion hunting in Africa, and not on the rugged coast of the river St. Lawrence. However, the French people are quite impressionable, and a prospectus in which they read the names of President Taft and ex-President Roosevelt, would immediately strike their imagination. There were other inaccuracies. It was stated that the line was going to pay, and, according to the prospectus, the probable revenues were estimated at $482,350 a year. Now, everybody knows, and no one more than my hon. friend the Postmaster General, that the coast of Charlevoix county is practically a barren coast. There is a very small population, and, except in summer, there are very few travellers, tourists at that, who do not travel on a railway, but desire to be away from railways. They travel on board the steamers of the Richelieu and Ontario Company. It is part of their sport to take a jaunt on the river St. Lawrence on board a steamer, and not to travel on the cars of any railway company. I know many tourists who spend the summer at Murray bay, and last year they raised a row because the municipal council had erected poles for electric light. They said they did not visit the shores of the St. Lawrence in summer to see poles and electric light; they even did not want to see automobiles in the lanes or on the highways. They came there for rest, and they were flying as far as possible from all the luxuries which modern civilization affords in American cities. Therefore, when one considers the character of the population in the county of Charlevoix, the revenues of the company, as stated in that prospectus, so far as the travelling public is concerned, were simply ridiculous. In winter time the people who are mostly farmers do not travel, and, if they do travel, the Government has provided for them the steamer Champlain, which plies between Rivière Ouelle, on the south shore of Murray bay. They are transferred to the Intercolonial railway, and if they desire to go to Quebec they are retransferred at Levis to the Quebec ferry.

The receipts of the company were also to be exceedingly large because of the important freight in pulpwood along the line. It was stated that 150,000 tons of pulpwood were to be carried by the railway. I was about to say shipped, because in another prospectus there was a contradiction. They insert a lie on one prospectus and a lie on the other. In one prospectus the pulp mill was described as being on the shore and in a position to ship by water the products of its industry, while in another prospectus it was stated that 150,000 tons of pulp could be carried by the railway. The 150,000 tons were to be taken from the East Canada Pulp and Paper Company, from the Baylis Lumber Company, and from the Baie St. Paul Lumber Company. Now, let us see, Mr. Speaker, how far this prospectus represents the facts of the case. It was issued in 1911. The Baylis Lumber Company is still a name only; its mill is not yet built, but the prospectus stated that so many tons of pulp could be taken from that mill. The Baie St. Paul Lumber Company is a lumber concern, and not a pulp concern, while the East Canada Pulp and Paper Company is insolvent and in the hands of the receiver to-day. It was represented that the East Canada Pulp and Paper Company could give the railway something like 30,000 tons of pulp a year. Now, the mill at its utmost capacity could not give more than 14,000 tons of pulp. I know the facts, because, as I stated a moment ago, I have spent the summer at Murray bay for many years, and that fact is known by every business man in Quebec and below Quebec.

Well, what happened after the issue of the prospectus? It is quite true that once, twice, thrice and a fourth time dividends were paid, but as you will see, Mr.

Speaker, in the report of Engineer Gaudin and in the report prepared by Mr. Michaud, the dividends were not earned; they were paid just to keep up the stock and the bonds on the financial market and to allow some very ingenious people to unload their stocks and bonds on the unfortunate investors. I have stated that the Quebec and Saguenay Company was practically in the hands of a receiver. The line is not completed, and I do not believe that half of the rails have been delivered. Perhaps my hon. friend the Postmaster General would be good enough to tell me whether the rails are there ?

Mr. PELLETIER : I do not know.

Mr. LEMIEUX : At all events, they have obtained $2,500,000 from the French people, the money has been spent, and the rails are not there. Part of the embankment has been graded, but instead of being started at Mile 30 in the county represented by my hon. friend the member for Montmorency, the road was started at the other end, in Charlevoix, in order to facilitate some private speculators, a proceeding which was very sternly rebuked by the engineers who inspected the road. In round figures, $800,000 are due. A judgment was entered the other day in the court of Montreal for $381,000 and the balance is due, but at the request of the defendant's attorney, judgment was allowed to be postponed. As I have said, in round figures, there are $800,000 due by that company. The Quebec and Saguenay is an offshoot of the Quebec merger. The Quebec merger does not pay any more dividends; hard times have come. The promoters of the Quebec merger would be very pleased to unload this Quebec and Saguenay on the shoulders of the Government. That would perhaps give the Quebec merger a chance to pay dividends, to pay interest to the French bondholders and, therefore, they have made a dead set on my hon. friend the Minister of Railways and Canals. They have surrounded him day and night and since the beginning of this session there have appeared in the financial columns of the Montreal and Toronto papers inspired paragraphs announcing that—oh, the Quebec and Saguenay question will soon be settled; the Government has practically promised to guarantee the bonds of the company! If these bonds are guaranteed the people of Canada, the good people of the county of Grey, the good people represented by my hon. friend the Minister of Finance (Mr. White), the good people of the province of Ontario and of the provinces of the West, will pay for the liabilities of the sharks and the priests of frenzied finance in the cities of Quebec, Montreal and Toronto. That is why I have given a friendly warning on many occasions to my hon. friend, the genial Minister of Railways and Canals. I have told him that I was so happy to see him occupying the very high position of Minister of Railways and Canals in this country, that I wanted to see him there a very long time, but that if he gave in, if he fell into the scheme, if he succumbed to the temptations of the sharks, he might perhaps find it awkward some day. I again give him a warning, I again tell him that if the Government of Canada should attempt to guarantee the bonds of that railway company, the Government of Canada is participating in an act which has been called in most respectable financial papers of Europe something worse than bank looting and safebreaking. I have the papers in my possession. My right hon. friend the Prime Minister says that he is unaware of the existence of such remonstrances on the part of French investors. Might I send him some of these papers? Even more than that, Mr. Speaker, the press of this country, friendly to the right hon. gentleman, has published time and again the facts which I have this afternoon apparently but only apparently, revealed to the right hon. gentleman. At all events, I accept the word of the right hon. gentleman but I hope that he and his colleague, the Minister of Railways and Canals will think twice before giving a guarantee of bonds to this fraudulent enterprise.

Mr. COCHRANE: There is no objection to the papers in this case being brought down and when they are brought down I do not think they will reveal anything of which my hon. friend has spoken. I found when I came to take charge of the department that the usual bonus has been granted by our predecessors in office to this road. I understand that the distance from St. Joachim to Murray Bay is 56 miles, and to the mill at Nairn, 8 miles. I may say to my hon. friend, for fear he might lose some sleep over it, that the company have not made any application to me for a guarantee of bonds.

Mr. BORDEN: I would like to reassure my hon. friend also in regard to this matter. He speaks of this road as not being a mere child of his, although I think he has some dear children in the way of railway lines in the past.

Mr. LEMIEUX: I am not ashamed of them.

Mr. BORDEN: No, I was not suggesting that my hon. friend was; my hon. friend is speaking too quickly. I merely want to point out that this road, according to the statement of the hon. gentleman which I accept, seems to have remarkably similar features to the National Transcontinental railway for which he, among others, is responsible. He tells us that, in a certain prospectus, the road was estimated to cost,

$31,957 per mile and that it has actually cost $52,000 and will probably cost $62,000 before it is completed. I would like to point out to him that even if all these statements are accurate, the cost does not come up to that of the railway for which he is responsible—the National Transcontinental railway. As he and his colleagues issued what might be called a prospectus to the people of Canada in that regard I trust that he will attach the same importance and the same responsibility to his own statements and suggestions in that connection as that which he attaches to the statements in the estimate that I have alluded to. He also speaks of this road having been commenced at the wrong end. There has been the same criticism also in regard to the railway for which the hon. gentleman is responsible. Some portions have been completed and cannot be put to very good use until other portions have been completed. I merely mention this to show my hon. friend that even so wise and distinguished a person as himself might make mistakes of that character. With regard to the statement of my hon. friend as to the surrounding of the Government by persons on behalf of this railway, let me assure him that he has given very loose rein to his imagination. The Government have not felt themselves embarrassed or incommoded by any representations which up to the present time have been made in that connection. I do not find it necessary to dwell upon the real estate transactions referred to; I do not think that matter very much concerns the question. I understand that work has been done on this railroad, that it was subsidized by the late Government, and that the work is at a standstill. I do not know what the hon. member suggests. He complains very much on behalf of the people who put their money into the enterprise and he ends up with an appeal to the Government to do nothing to assist the road. I certainly do not know what he suggests or what he intends. Perhaps a little later on the hon. gentleman will make it clear, but up to the moment I do not quite understand what his idea is.

Mr. SPEAKER: We have apparently drifted from one notice of motion to another. The remarks of the hon. member for Rouville were, I thought, intended for his motion in regard to the Light, Heat and Power Company, and the hon. member, in moving a substantive motion had the right to reply; but he seemed to drop that, and to take up the consideration of the next notice in his name, which deals with the Quebec and Saguenay railway. Let me put the first motion with reference to the Quebec Railway, Light, Heat and Power Company.

Mr. BORDEN.

Mr. LEMIEUX: I thought the first motion was disposed of.

Mr. SPEAKER: It has not yet been put by the Chair.

Motion of Mr. Lemieux, in reference to Quebec Light, Heat and Power Company, agreed to.

Sir WILFRID LAURIER: The other motion now having been disposed of, we come to that which we have been really discussing; this is, indeed, a comedy of errors. The Prime Minister says he does not understand the object of my hon. friend in making this motion, and I will tell him that the object of the hon. member was to put the Government on its guard as to many rumours which have come to members of this House, and which apparently have not come to the ears of the Prime Minister. That simply confirms the truth of the adage that the person most interested is sometimes the last to be informed. There have been rumours filling the press and filling the atmosphere of this House, that this Quebec and Saguenay railway is seeking to obtain a guarantee of its bonds. The object, as I say, of the hon. member for Rouville was to put the Government on its guard and to inform the Government of the rotten character of this enterprise. The Prime Minister made the point that the late Government had subsidized this railway, which is true to the extent that we subsidized it as a local enterprise, and as a local enterprise it might do some good. It would connect the city of Quebec with parts of the county of Quebec, and the county of Montmorency, and the county of Charlevoix, and, as a local enterprise it would have been of service. We had no hesitation at all in granting the usual subsidy which has been given to local enterprises by the Canadian Government for more than thirty years past. My hon. friend said that this road had cost much more than was anticipated, and I was not surprised when the right hon. gentleman countered immediately by stating that this was also true of the National Transcontinental railway, but there is a difference between this local enterprise and the National Transcontinental railway, in that while I admit the latter railway cost more than was anticipated, yet the country has value for the expenditure. If we could say as much for the Quebec and Saguenay railway, it would not be bankrupt to-day, and sued in the courts by its creditors. The resources of the road, as a local road, might justify the local subsidy we gave, but we never would guarantee the bonds of such a company. The late Government of Canada guaranteed the bonds of certain enterprises, but these

enterprises were of a national character, and whenever we came to Parliament to obtain a guarantee of that kind, we never met with any opposition, the character of the road being such as to justify the bounty of Parliament. No such reason can be adduced in favour of guaranteeing the bonds of the Quebec and Saguenay railway. I am delighted to hear from the Minister of Railways, and his statement is corroborated by the Prime Minister, that there has been no application up to this time for this guarantee of bonds. I understood that to mean that there has been no official application by the company, but I would like to be informed, if the Minister of Railways would be good enough to do so, that there has been no informal application, that this is the first time he has heard of it, that he never knew anything about the matter until to-day. We should be much more relieved if the Minister of Railways would be kind enough to stand up and give us his word that he never heard of the matter before now. We know better. If the Minister of Railways stands up in his place and tells us that there has been no informal demand for this guarantee, the whole country—I will not say the whole country because the whole country has not heard of it yet—but that part of the country which has heard these rumours will be relieved. I would be still further relieved if the Minister of Public Works (Mr. Rogers) would be good enough to tell us that he has never heard of this question of guaranteeing the bonds of the Quebec and Saguenay railway.

Mr. COCHRANE: There are some more members of the Cabinet here; you might include them.

Sir WILFRID LAURIER: Well, I will be satisfied to get an assurance from the Minister of Public Works; if he does not know I will not be troubled about the other members of the Cabinet knowing anything. If the Minister of Public Works tells me he knows nothing of this, the people of the country will sleep more soundly.

Mr. SPEAKER: I have not yet put the motion with regard to the Quebec and saguenay railway. Had I known that the hon. member for Rouville was referring to another motion on the Order Paper when he was speaking, I would have called him to order, because he was transgressing the rule which prevents and hon. member anticipating a motion already on the paper.

Mr. LEMIEUX: There are so many traps and snares in this whole thing and they are so netted in one with the other that I mixed them up.

Mr. SPEAKER: It would seem to be infectious.

Mr. SPEAKER having put the motion:

Hon. L. P. PELLETIER (Postmaster General): I do not intend to go into this matter at length, except that I would like to object most strongly to the representations made to this House by the hon. member for Rouville as to the propriety of or the necessity for having this railway traverse the county of Charlevoix. I represent the district of Quebec in the Government, and I think it is my duty to endeavour to rid the House of the wrong impression which the language of the hon. member may have created in that respect. My hon. friend says that this is a barren country, that the people have no use whatever for a railway, that if they want to communicate with the rest of the world they have a ferry-boat at Murray Bay which takes them over to the other side. Does my hon friend think this is a fair way of representing the position of that country? I say no. The barren country about which we have been told here is the only county through which this Quebec and Saguenay railway is going. My hon. friend to-day tells us that there is no use of a railway there, that the ferry is all that the people need. On the other hand the right hon. the leader of the Opposition tells us that a subsidy has been voted and properly voted by his own Government for the building of a railway. Why this subsidy if the country is barren and there is no need for a railway?

Mr. LEMIEUX: You are dragging a herring across the trail.

Mr. PELLETIER: Did not my hon. friend say this is a barren country?

Mr. LEMIEUX: Yes.

Mr. PELLETIER: Did not my hon. friend say these people had a ferry from Murray Bay to the south shore?

Mr. LEMIEUX: No.

Mr. PELLETIER: I heard the words myself.

Mr. LEMIEUX: I spoke of the tourists.

Mr. PELLETIER: You said the tourists did not go by rail; they went by boat.

Mr. LEMIEUX: Well, then.

Mr. PELLETIER: It is only the people of Charlevoix who would use the ferry, and then cross back to Quebec. Why then, did my hon. friend vote a subsidy for that line of railway. I really think that if the county of Montmorency at the last election had not elected the present member for Montmorency (Sir Rodolphe Forget), and if the Hon. Mr. Parent, the man who provided so much of the ready goods for the election of

my hon. friends on the other side, had not seen his son defeated in Montmorency, probably there would have been much less fault found with all these enterprises. This is made a political question and a matter of political revenge. My hon. friend from Rouville has in the corner of his heart a good deal of venom for his political opponents who have carried the counties from his party, and he does not hesitate to come before this House and open that corner of his heart against his political enemies. He may have his own opinion about the way this enterprise is financed. I am not going to discuss that.

Mr. LEMIEUX: Why?

Mr. PELLETIER: Because I think it is not fair to pre-judge this question, to which, after all, there may be two sides, as I know there are. This House should not be called upon to pass judgment on representations or statements made without hearing the other side as well. With regard to this railway, I think it is a great mistake to treat this country and the county of Charlevoix in particular in the way in which my hon. friend from Rouville has treated it. There are great prospects in that country. The railway which has been built from St. Joachim to Murray Bay is going to be a very productive railway. This railway has a great future before it. I know the country pretty well; and I shall be very much surprised if, in the disposition which is made of that railway, we do not find that people will not be of the same opinion as my hon. friend from Rouville as to the value of that railway. My hon. friend has spoken about the paper mill interests; if my hon. friend does not know, I am going to tell him that the paper mill interest is a very big interest in the county of Montmorency and on the border of the county of Charlevoix. These people have an immense area in timber limits; they have not only in view but have actually placed a contract for the building of a big pulp and paper mill with a capacity of one hundred tons a day. As regards the eastern Canada pulp mills, a branch of that railway is going over there. In that country there are two ports of the greatest importance to this country, Murray bay and Baie Ste. Catherine. We may have there a great deal of help for winter navigation. Before many years are over, I venture to-day that my hon. friend, young as he is, and with the future he has before him, will have to take back those words that he has pronounced to-day about this country being barren and this railway being useless, because I think there is a very great future for that part of the country. This part of the province of Quebec is one of the oldest settlements which is to be found. Everyone knows that it is full of historic places; it was there our forefathers came in the first place. The people of that country have been deprived of a railway year after year, while almost every other part of Canada had railways built. As for the member for Montmorency he has represented the county of Charlevoix for some years. He may have made some mistakes—everybody makes mistakes—but I am not going into that. Seeing that these people have been deprived of a railway for years, he devoted all his time and energy in order to have a railway built for them; he began a railway, I am told it is almost finished; with six or seven hundred thousand dollars it could be finished. Under the circumstances we should not look at this question from the point of view the hon. member for Rouville has chosen to look at it, but we should see to it that justice is done. As regards the question put by my right hon. friend as to whether an application for a guarantee of the bonds has been made verbally or unofficially, I may say I have heard it in this House from the hon. member for Rouville so many times since the beginning of this session that there is no doubt that we have heard of it unofficially.

Mr. LEMIEUX: As I stated a moment ago, my hon. friend the Postmaster General is simply drawing a red herring across the trail. Whether or not the county of Charlevoix, the county of Montmorency or the county of Quebec is part of the most beautiful section of Canada, is not in question. The point is whether we can afford to let the name and honour of Canada be besmirched in foreign markets for the sake even of those counties. I am from the province of Quebec, and I am pleased to know that railway construction is going on there. We live in an age of progress, and I grant that, to as great an extent as possible, every county should be afforded the necessary transportation facilities, but not at the expense of the other fellow. My hon. friend says there are two sides to every question; this I know full well. There is a good side and a bad side, and I am discussing the bad side of this particular question. The county of Charlevoix contains an intelligent population, and the people would reprove the very action alluded to by my hon. friend, if they knew their railway was being built with the money of orphans, widows and retired soldiers and officers in France; people who have been deluded by false representations made in prospectuses concocted in Canada—not published on this side of the water, but in the little towns of France. That is what I denounce. My hon. friend knows that I have no objection to the construction of a railway in the

county of Charlevoix; on the contrary I am in favour of such a railway, but built with honestly-earned, not stolen money.

Some hon. MEMBERS. Oh, oh.

Mr. LEMIEUX: My hon. friend should have been the last one to laugh, because I am sorry to say he was a director of the Quebec Light, Heat and Power Company, Limited, which is the parent of the Quebec and Saguenay and the Quebec Eastern Companies. The name of the Hon. Louis Philippe Pelletier—unknowingly, I am sure; unwittingly, I am sure; unconsciously, I am sure—has been the means of deluding thousands and thousands of poor French investors. Does not my friend know that his name was lavishly used in the prospectus of the Quebec Eastern railway, issued in France, and that the following words appeared therein:

The Postmaster General of Canada, the hon. Mr. Pelletier, who is one of the directors of the Quebec Railway Company, has just disclosed in his speech the program of the new Government, which consists first in making of Quebec a free port, and second, giving to Quebec an immense dry-dock, and all the machinery necessary to receive the new Transcontinental, the Grand Trunk Pacific railway.

Mr. PELLETIER: What is the date of that?

Mr. LEMIEUX: It was issued just a year ago—in January, 1912. My hon. friend had just then delivered in Quebec one of his great speeches, indicating what would be the policy of the Government towards the city of Quebec and surrounding districts, and the people who promoted this enterprise in France used the name of my hon. friend in order to induce the French people to invest their money. My hon. friend was one of the directors—

Mr. PELLETIER: Oh, no.

Mr. LEMIEUX: Does my hon. friend deny he was one of the directors of the Quebec merger?

Mr. PELLETIER: I do.

Mr. LEMIEUX: Very well, I accept the explanation of the hon. gentleman—

Mr. PELLETIER: My hon. friend suggests that I was director when this prospectus was published?

Mr. LEMIEUX: Yes.

Mr. PELLETIER: I have been director of the Quebec Light, Heat and Power Company——

Mr. LEMIEUX: When did you resign?

Mr. PELLETIER: The moment I was elected to this House and became a member of the Government.

Mr. LEMIEUX: Will my hon. friend say to this House that he did not know his name appeared in flamboyant letters on the prospectus issued in France?

Mr. PELLETIER: I hear that to-day for the first time; I never saw that paper.

Mr. LEMIEUX: The prospectus was not circulated in Canada, for many obvious reasons. It was published in France, and my hon. friend has been in France since—he was in Paris last summer. Will he tell me that he, the Hon. Louis Philippe Pelletier, Postmaster General of Canada, whose name appeared in flamboyant letters in this prospectus, was not, when in Paris, made aware by some of these unfortunate bondholders that he was held responsible—although I cannot believe he really is responsible?

Mr. PELLETIER: I met in France many people who spoke to me about this, but they never mentioned the fact that my name had been used in such a way. They never showed this prospectus to me, and I hear of it now for the first time.

Mr. LEMIEUX: My hon. friend does not deny his name appeared in the prospectus?

Mr. PELLETIER: My hon. friend has read it.

Mr. LEMIEUX: The hon. gentleman is too cute—too intelligent—but he cannot fool me that way. The name of my hon. friend——

Mr. PELLETIER: What does the hon. gentleman mean?

Mr. LEMIEUX: I mean this: That the name of the hon. gentleman appeared on that prospectus. I have said he knows it; he says, he hears it now for the first time. I accept his word, Mr. Speaker, but I pity him for his innocence, and I say to the Prime Minister that the sooner the Postmaster General quits the Cabinet the better for the Government of Canada. He really is too innocent. My hon. friend tells me that he never heard of this before to-day, I will put to him another question. He went to Europe last summer, he went first to London, then to Paris. Did he go to Brussels?

Mr. PELLETIER: I did.

Mr. LEMIEUX: Was not the name of my hon. friend published in Brussels on a prospectus of the Stadacona Power Company?

Mr. PELLETIER: What has the Stadacona to do with this?

Mr. LEMIEUX: It has the whole world to do with it.

Mr. PELLETIER: It has nothing to do with it.

Mr. LEMIEUX: Because it is the same piece—I will not say the rest. It is all with the Quebec Light, Heat and Power Company, it is the Quebec merger projecting here and there its tentacles for high finance.

Mr. PELLETIER: I rise to a point of order. The hon. member for Rouville has no right to say that the Stadacona Power Company is an off-shoot of the Quebec Light, Heat and Power Company. It is not. I do not think my hon. friend should make those statements before the House. The Stadacona company is quite distinct from the other. My hon. friend has no right to make these imputations and suggestions. They are not fair.

Mr. SPEAKER: I do not think that is exactly a point of order.

Mr. LEMIEUX: I may say that the report made by M. Gaudin, the engineer, and the report made by the president of the National Association for the protection of French bondholders of foreign securities, M. Machart, both state that the Quebec merger, which was to get a monoply of the public utilities in Quebec—in fact it was an inducement to the French investors, that it would be protected from competition. But then there appeared the Stadaccna Power Company and instead of working in the interest of the bondholders —the directors went on the market and offered for sale that other issue in competition with the poor French bondholders who had been induced to join in the Quebec merger. That is how the name of the hon. gentleman comes in.

I sincerely hope an investigation will be ordered by the Government in order to sift the whole matter to the bottom.

Motion agreed to.

LA BANQUE INTERNATIONALE DU CANADA.

Mr LEMIEUX moved:

For a copy of all minutes of the Treasury Board, all Orders in Council, and all other papers or documents in any way relating to the issue by the Minister of Finance of the license to La Banque Internationale du Canada.

He said: This is the third chapter, and I may say that it is not my pleasure at all to bring these questions before the House. If I had not been threatened by some of the gentlemen connected with this business. If I had not been threatened through one of the members on this side of the House, I would simply have let the motion pass and awaited the documents. but I am not going to be deterred by threats and that is why I accompany the motion with the few remarks that I intended to make. This is the third chapter of a very interesting novel.

Mr. WHITE (Minister of Finance): Does the hon. gentleman refer to threats?

Mr. LEMIEUX: Not by the hon. gentleman.

Mr. WHITE: No, but by whom?

Mr. LEMIEUX: If I am allowed by the hon. member for Temiscouata I will give the name of the gentleman who made the threats to him that if I dared to make these charges in the House, although I have named no one, I would pay for it. It was confided to me by the hon. member for Temiscouata and I repeat I am not going to be deterred by threats from any one or from any source. I wish to vindicate the good name of Canada.

Some hon. MEMBERS: Name.

Mr. LEMIEUX: And the good name of the province of Quebec. I do not want to be told in the Old Country that in the province of Quebec or in the Dominion we condone such schemes as those that have been launched within the last two or three years. I moved for the papers concerning the issue by the Minister of Finance of the license of the Banque Internationale du Canada. Much dissatisfaction has been expressed by the public concerning the affairs of this bank, especially in France, of course. Of the losers there are many in Canada but most of them, unfortunately, are in France.

Let me give, in a few words, the genesis of this institution, the Banque Internationale. During the session of 1911, before the elections, a Bill was introduced for the incorporation of a bank, La Banque du Canada. We, the members of the Government and several members of the House on both sides, strenuously objected to any one taking the name of La Banque du Canada for any such institution because we suspected that the capital would be subscribed in Europe and we know that in France La Banque de France is a state institution, just as in England the Bank of England, is a state institution. We therefore objected strenuously and succeeded in having the name changed to La Banque Internationale. The Bill was passed by the House but another phase had to come. The provisional directors, came before the Government in order to obtain from the Treasury Board the certificate which is necessary before any bank goes into business. That certificate was refused and there are reasons contained in the refusal as it appears in the documents which are in the hands of my hon. friend the Minister of Finance. We feared that some of the foreign shareholders in the bank were unaware that in Canada there was a double liability, and we were

also suspicious of a certain gentleman who, a few years previously, had been running a lottery in Montreal, and whose name appeared amongst the shareholders as representing $2,000,000 worth of shares. So, Mr. Fielding very wisely stated his objections to the issue of the certificate, but the elections took place, another government came into office, and the license was issued. My hon. friend the Minister of Finance did not know the agreement that had been made between the head of the bank and the shareholders, for I am sure that if he had known he would never have agreed to issue the certificate. Let me read the agreement which was made between each shareholder and the head of that institution.

Agreement entered into this 24th day of June, 1911, by and between——

So and So,——

—hereinafter referred to as 'the manager,' party of the first part, and the undersigned, hereinafter referred to as 'the shareholder,' party of the second part.

It is very important now, when we are revising our bank laws, that the Minister of Finance should be very careful in regard to what takes place in connection with the organization of such institutions. If there is to-day in the financial world and amongst the plain and common people objection to the measure introduced the other day by my hon. friend the Minister of Finance it is due chiefly to the fact that a certificate was issued to that institution.

An hon. MEMBER: The Farmers' Bank.

Mr. LEMIEUX (reading):

Whereas it has been deemed advisable to form a syndicate for the resale in a proper and suitable manner of the shares of the Banque Internationale du Canada held by the shareholders of said bank who wish at a later date to dispose of all or part of their holdings. Whereas it is imperative that such operation be conducted by a manager of experience. Now, therefore, agreement witnesseth:

1. The shareholder agrees to be a member of the syndicate formed by the present for the resale of the shares of the Banque Internationale du Canada now standing in his name.

2. Those shares will stand pooled for the purpose of said syndicate for an irrevocable period of eighteen months.

3. The manager will have the right and will use it in his own discretion to dispose of the pooled shares,——

Which is a huge speculation,——

—in all or in part at any time during the above-named period to the best interest of the shareholders providing that a net profit of at least ten dollars a share be obtained for said shareholders.

4. The manager will render account to the shareholders from time to time of the sales made for the syndicate account and same shall always be made pro rata to the shares of all shareholders.

5. Any shareholder will have the privilege at any time to withdraw from sale the part of his shares which would not have then been disposed of, but said part of his shares will stand pooled until the liquidation of the syndicate and shall not be sold or disposed of by said shareholder during the life of the syndicate under penalty of having his shares forfeited for the benefit of the members of the syndicate.

Now comes the important paragraph:

6. The manager binds and obliges himself during the life of this agreement to advance in the name and for the account of the members of the syndicate all and every calls, except the first one already paid, which might be made by the Banque Internationale du Canada on the shares pooled in virtue of the present.

I said that if my hon. friend had known of the existence of such an illegal agreement as that he would never have issued the certificate. It is, in its very essence, a huge speculation. A guarantee of ten dollars per share to the Canadian shareholders means a profit of 100 per cent, because they paid only ten per cent, and they are, so to speak, debarred from any other calls. Did the French shareholders know that? Were they made aware that in Canada there were some shareholders, and I see some of them before me now, who would be given 100 per cent profit, that their shares would be pooled, and that no more calls would be expected from them. Did the French shareholders know that? No, Mr. Speaker, they did not know.

Mr. MACLEAN (Halifax): How much was subscribed?

Mr. LEMIEUX: Ten million dollars, the capital stock of the bank. There were two groups of shareholders, a French group and a Canadian group. The French group subscribed $8,000,000 and they paid 10 per cent. The Canadians subscribed two millions. On September 3, 1912, the annual meeting took place in Montreal. The French had subscribed $8,000,000 and let us see how our dear cousins from France were treated by their fellowmen in Canada. The French shareholders sent to the annual meeting two representatives accompanied by a young Canadian lawyer, the son of Mr. Justice Archibald, who is practising law in Paris, and with the proxies representing the $8,000,000 in their possession. What happened, Mr. Speaker? They were simply evicted just as the tenants of old in Ireland were evicted. Some fault was found with the way in which the proxies had been prepared. There were some irregularities, and those shareholders who represented $8,000,000

worth of stock were ejected forcibly from the room where the deliberations took place. Now, there were some ugly rumours about the management of the bank, and the French had become exasperated. I mentioned a moment ago that when they applied for the issue of the certificate we noticed that a certain gentleman and his wife had subscribed $2,000,000 worth, and that gentleman I had prevented a few months previously from running a lottery in Montreal by means of the post office. I was surprised to find him a shareholder representing $2,000,000 worth of stock. The prospectus of the bank stated very positively that no commission would be paid.

Mr. CODERRE: Could my hon. friend give the name of that hon. gentleman?

Mr. LEMIEUX: E. B. D'Aoust.

Mr. CODERRE: Is he living in Montreal?

Mr. LEMIEUX: He lived in Paris until lately, but since the French Government has ordered those investigations he has been in Montreal.

Mr. CODERRE: Is he not considered a French shareholder?

Mr. LEMIEUX: His $2,000,000 worth of shares are part of the $8,000,000 worth of French stock; but I was surprised to see him in the list, although I am not surprised to see him in Montreal to-day. It was stated, when that prospectus was issued on the French market, that no premium would be paid on the subscription stock. If my hon. friend will read a certain judgment which was rendered in Montreal a few days ago he will see that there has been some trouble in the bank of late, that a certain note amounting, in round figures, to $200,000 was discounted in favour of that same man, named D'Aoust, representing exactly ten per cent. of his shares. The note for $200,000 was discounted without the knowledge and against the orders of the directors. A return was made to the Government and that note so discounted was represented in the return as a current loan.

At six o'clock House took recess.

After Recess.

House resumed at eight o'clock.

Mr. LEMIEUX: Mr. Speaker, at six o'clock I had just read the famous agreement, by which it was understood that the shares of the Canadian shareholders in the Banque Internationale were to be pooled, and that a payment of ten dollars per each paid-up share would be subscribed, and that no more calls would be made on the shareholders. I was stating that if the Finance Minister had known that such an agreement existed, he surely would not have issued the certificate of license to that bank. I stated that this agreement was absolutely illegal and that it was not known to the French shareholders. Had they known it, they would certainly not have invested their money in an organization of that kind. I was explaining that the French shareholders, hearing of the manner in which the bank was managed, and especially hearing of the discounting of a note for $200,000 in favour of one Mr. D'Aoust, had sent from France representatives to see that the management of the bank should be changed. As I stated, they held $8,000,000 of stock out of a total of $10,000,000, and surely they were entitled to some say in the management. I explained also that the gentlemen connected with the bank who met at Montreal so managed things as to exclude the French representatives from the meeting and from the reorganization of the bank. Irregularities were invented for the occasion, and the French shareholders were once more made the victims. As a result of the discounting of that extraordinary note for $200,000—one-quarter of the paid-up capital of the bank—proceedings were taken by the representatives of the French shareholders. This will be better explained if I read what was published last week in the Toronto Globe, under the suggestive title 'The Lesson of the International':

> The publication of a part of the evidence as to the circumstances under which the International Bank struggled through its brief and unfortunate career once more directs attention to the necessity for stringent amendments to the Banking Act which will prevent promoters from securing an undue amount for 'organization.' It appears that one of the causes of the International Bank's troubles was an unpaid account for organization expenses and commissions amounting to $200,000. Mr. O. B. D'Aoust, one of the French promoters of the bank insisted that this huge sum was due to him. Mr. Bird, the general manager, under pressure from the president, Sir Rodolphe Forget, paid it, as he stated in evidence, 'against his better judgment.' Instead, however, of making a straight payment the sum went through the books as a 'loan' to D'Aoust, who gave notes for $200,000, payable on demand, it being understood that premiums on stock to be thereafter paid in should be used to retire the notes.
>
> By this piece of 'financing' what was really a debt paid by the bank appeared in the statement to the Government as 'a current loan in Canada.' When Vice-President Bickerdike learned of the sort of banking that was being done without the knowledge or consent of the board he protested most vigorously. Mr. Bird, in a written reply, said that if any error was made in not bringing the matter before the board he much regretted it, but the account rendered was one the bank would have to pay, as it covered the obtaining of subscriptions for capital of $10,000,000, the expense of which

cost considerable money. Other organization expenses were paid, such as heavy legal fees, expenses at Ottawa in connection with obtaining the charter and licenses, advertising, travelling expenses, cost of bringing clerks from Europe, salaries for ten or eleven of the staff for nearly six months while the bank was waiting for its license, and also the expenses during that time of an office on St. James street, including rent, taxes, light, &c.

The Minister of Finance has evidently been in touch with the circumstances under which the International's liabilities were transferred to the assets column, for in his draft Bank Act he puts in a new clause that makes such concealments hereafter impossible. The clause provides that 'at the time of the application for the certificate there shall be submitted to the Treasury Board a statement setting forth the several sums of money paid in connection with the incorporation and organization of the bank, and such statement shall, in addition, include a list of all the unpaid liabilities, if any, in connection with or arising out of such incorporation and organization. Prior to the time at which the certificate is given no payments on account of incorporation and organization expenses shall be made out of moneys paid in by subscribers, except reasonable sums for the payment of clerical assistance, legal services, office rental, advertising, stationery, postage, and expenses of travel, if any.'

This bars absolutely any payment for commission until after the facts are laid before the Treasury Board. Had the D'Aoust account gone before the board the International Bank might still have been granted the right to begin business, but its directors at all events would have known the facts and would have been enabled to withdraw had they been so minded. The proposed amendments are evidently necessary to protect those taking part in the organization of new banks from the manipulation of insiders. There should be added a specially stiff penalty for concealment of knowledge of deferred accounts on the part of officers or directors of banks in process of organization.

I may state, entre parenthèses, that this Mr. D'Aoust, who is referred to in this article as one of the French promoters was a resident of Montreal for several years. He is of French origin, but when the organization of the Banque Internationale was started, he left Montreal to open an office in Paris. Since the judicial investigation of the French Government has been commenced into these various Canadian enterprises launched on the French Market, Mr. D'Aoust has come back to Montreal and is now in Montreal.

The French representatives, hearing of this extraordinary discounting of $200,000 in favour of Mr. D'Aoust, took legal proceedings. They laid a complaint before the police magistrate in Montreal; but before issuing his warrant, Mr. Justice Leet, before whom such complaint was made, held a preliminary investigation in camera. This preliminary investigation took several months; several witnesses were heard, and Mr. Justice Leet in his judgment said that he would have been justified in issuing a warrant on the evidence placed before him; but that in the interest of the bank and the shareholders, knowing that the merger was to be made as between the Banque Internationale and the Home Bank, he thought he should also hear some witnesses for the defence. Accordingly, after several months he gave notice to the parties, and other witnesses were heard, namely, Mr. Knight, the secretary, I think, of the Bankers' Association, and a Mr. Muir. After having heard Mr. Knight and Mr. Muir, Mr. Justice Leet declared in his judgment that, though he would have been justified in issuing the warrant, yet he thought, in the interests of all, after what he had heard, that he should not issue the warrant.

Mr. McKENZIE : Whom was the warrant against ?

Mr. LEMIEUX : Against Mr. Bird, the manager of the bank. This matter has attracted considerable attention among the public, and especially among the financial people in Canada. I hold in my hand a number of the Monetary Times, published in Toronto, a very important paper, which under date of Saturday, January 18, 1913, contains the following:

> At last Judge Leet speaks—Says it is useless to continue case against La Banque Internationale Officials Transactions stated to be of ordinary banking nature.
>
> Judge Leet, of Montreal after considerable delay, has, according to the daily newspaper despatches from Montreal, said that it is unnecessary to proceed further with the Banque Internationale case, as he does not think a conviction would follow. A sworn affidavit was brought to the judge, stating to the best of the knowledge of the signatory, officers of the bank had made and signed a Government return which was to his knowledge untrue. Partly because the information was second-hand, and partly because of the important result that might come to pass from the institution of the proceedings, especially if it were found that the information was not correct, Judge Leet suggests that before a warrant is issued evidence be taken, and that it be taken in camera.
>
> Witnesses were heard, but the judge thought he would not have warrants issued, although he would have been thoroughly justified. He was asked also to withhold his judgment to the case for a while, in view of the negotiations proceeding for the transfer of the bank's business to another institution.
>
> The Monetary Times contends that while this procedure may have been legal, it was none the less extraordinary. It has seemingly had the effect of keeping most of the details of the case in secret. The judge is one of the few who have had an opportunity of examinating the evidence. Why should not that evidence be made public? Why was it heard in camera? Why should the judge deem it advisable to withhold his decision because

some one suggested such a course? And are we to understand that the plaintiff's case was heard in camera, and evidence for the defence in public.

The Monetary Times is digusted with the entire conduct of the case and with the official silence of the Department of Finance. Instead of such serious accusations having the full light of publicity, much appears to have been done to make the judicial inquiry a secret investigation, with just enough publicity to give it a brave look.

We would respectfully ask Judge Leet to make public the evidence which was given in camera. We contend that it is a matter of public importance. We are glad to know from Judge Leet's remarks that the accusations would not bring a conviction, but the hearing in camara of such a case in setting a very undesirable precedent. The Monetary Times has always fought for legitimate publicity, as it has done for nearly three months in this case, and as it proposes to do.

Judge Leet's remarks respecting La Banque Internationale officials accused of making false returns to the Government, indicated it would be unnecessary to proceed further with the matter as he felt assured no conviction would follow. His judgment was to be given at Montreal late yesterday. Judge Leet said:

Considering the importance of this case, the public persons involved, and as a necessary consequence the public interest aroused, I think it proper that I should make a statement, part of which may be regarded as a personal explanation. Representatives of two of the leading legal firms of the city came to my chambers with a Mr. Ducout, who is the representative in Canada of the French shareholders of La Banque Internationale du Canada, and Mr. Ducout made a sworn affidavit stating that to the best of his knowledge and belief, Mr. Godfrey Bird, the general manager of La Banque Internationale, had, with other officers of the bank, made and signed a Government return which was to his knowledge untrue.

Partly because Mr. Ducout's information was second-hand, and partly because the important results that might come to pass from the institution of these proceedings, especially if it was found that Mr. Ducout's information was not correct, I suggested that before a warrant was issued, evidence be taken, and that it be taken in camera.

This procedure was followed and certain witnesses examined. I came to the conclusion that the facts disclosed were quite sufficient to justify the laying of information, and I feel I should have been thoroughly justified in giving instructions that a warrant should be issued, not only against Mr. Bird, but all the others who signed the returns.

That would not have meant that a commitment would have resulted, much less a conviction, but it would, no doubt, have been the easiest and simplest thing for me to have done and thus have disembarrassed myself of the matter.

Judge Leet went on to explain that he had been informed that negotiations were under way for the transfer of the business of the bank to a Canadian institution, and that if it were possible he should withhold his judgment for a while. He, therefore, held it until the present time. Recently he had been requested by a counsel for the bank to reopen the enquete. He did not see that criminal procedure would not allow him to make an investigation before issuing the warrant.

It is the right, however, of the accused after a warrant has been issued and the evidence for the prosecution adduced, before a commitment is signed, to examine witnesses for the defence, for the purpose, of course, of so explaining the case that no commitment will follow. I see no reason why an accused, if he desires, should not have the same privilege in a case like the present.

I have, therefore, acceded to the request to allow evidence to be adduced by the defence.

Judge Leet then stated that he was ready to proceed with the hearing. Among the witnesses heard were Mr. H. P. Knight, secretary of the Canadian Bankers' Association, and Mr. J. Gillespie Muir, of the Merchants Bank, who were asked for their opinion, as experts, of certain transactions of La Banque Internationale. After hearing these two witnesses, Judge Leet decided that it would be useless to continue the case, because Mr. Knight and Mr. Muir said that the transactions complained were of the same nature as they, or any other bank, would carry on.

I have nothing to say against the judgment of Mr. Justice Leet, except to note the apparent contradiction that in the first instance he states he was amply justified in issuing the warrant, and secondly he thought that in the best interests of the merger to take place between the International Bank and the Home Bank, he should, perhaps, not issue that warrant.

Mr. ROGERS: Who signed the returns he speaks of?

Mr. LEMIEUX: Mr. Godfrey Bird, manager of the International Bank.

Mr. ROGERS: Who else?

Mr. LEMIEUX: There is no one else named here—I am quoting from the Monetary Times, of Toronto. I have here a letter from a citizen of Montreal, and I am sure that many members of this House have received letters of a similar nature, having regard to what is being said by the ordinary citizen on the street, to the effect that if we wish to have socialism in Canada, the best way of bringing it about is by protecting those bank managers who represent as current loans what are, in reality, liabilities of the bank. This letter reads as follows:

Hon. Rodolphe Lemieux,
House of Commons,
Ottawa, Canada.

Dear Mr. Lemieux,—I find that there is a lot of dissatisfaction among business men in Montreal over the International Bank case, and thought perhaps you would deem it of sufficient importance to question the Minister of Finance in regard to the way this matter has been handled. The Hon. Mr. White went in as a great purist, but is evidently not working very hard at the job.

I believe that in the forthcoming revision of the Bank Act, some provision will be made

for outside inspection. This is not likely to prove a success if all guardians of the depositors money are as indifferent as Mr. John P. Knight, Secretary of the Bankers' Association. In giving evidence, Mr. Knight explained that he had been bothered by two men who had come to him with a tale of woe concerning the bank, till finally he told them to go to the lawyers. Under the present Banking Act, one would think Mr. Knight's duty would be to investigate any tales of woe brought to him.

In dismissing the case, Judge Leet made the following comments: I am bound to say that some of the officers of the bank made a great mistake, and perhaps they are suffering just as much as if a warrant had been issued. I cannot see why the matter in question should not have been brought to the attention of the directors at once.

This sentiment is shared by a great many people—

Mr. PELLETIER: By whom is the letter signed?

Mr. LEMIEUX: I cannot give the name, but I have no objection to showing it to my hon. friend privately, if he so desires.

Mr. PELLETIER: I do not know that that is quite fair.

Mr. SPEAKER: It has generally been the practice, when a paper or letter is quoted from, to lay it on the table.

Mr. LEMIEUX: It is a private document, Mr. Speaker—

Mr. PELLETIER: Does not the hon. gentleman think, if he does not give the name, that the letter should be withdrawn?

Mr. LEMIEUX: I do not intend to be detracted from what I intend to say. After the judgment was rendered, we were informed through the press that the Home Bank of Toronto had decided to take over the affairs and business of La Banque Internationale, and that an amalgamation is to take place. To this I have no objection, but here the Minister of Finance can exercise his honest judgment, and can weigh the pros and cons of the matter, as the amalgamation of two such institutions cannot take place without his consent. From the judgment I have read, he knows that the Hon. Mr. Fielding was warranted in refusing to issue the certificates of the bank; He knows, he, the Minister of Finance, has been the victim of the false representations of the organizers of La Banque Internationale, as, in the new Bank Act, he has inserted provisions which cover exactly the state of things I described a few moments ago. Something should be done not only for the sake of the Canadian shareholders, but on behalf of the French shareholders. I am told their shares were sold at $5 although they paid $12.50 for a share of $100, and the total loss to the French shareholders in this proposed amalgamation is $580,000. Does my hon. friend not believe that he owes to the unfortunate French shareholders a very careful investigation of the circumstances which brought about this financial disaster? In the case of the Farmers' Bank there has been a long investigation. It has now been in progress for nearly two years; witnesses are heard and sittings convened nearly every month by Chief Justice Sir William Meredith, in the endeavour to assign the responsibility to those who brought about the failure of the Farmers' Bank. This is a similar case, and my hon. friend the Minister of Finance, having been deluded by the organizers of La Banque Internationale, should, before the amalgamation is effected, see that a thorough investigation of the whole circumstances of the case takes place; he should see that the $200,000 paid to Mr. D'Aoust, by the discounting of his note, as a commission for the subscription of the capital of $10,000,000, when it has been stated on the prospectus that no commission would be paid—he should see that the $200,000 are returned to be applied to the assets of the bank for the benefit of the depositors—if there are any, for nobody ever had any confidence in that bank from its inception. This money should be returned to recoup the shareholders for the terrible loss they have sustained; moreover the minister should thoroughly investigate the whole case, and find out what recourse remains to the shareholders of the International Bank. He should see what is being transferred to the Home Bank. Small shareholders of the Home Bank do not know what recourse the shareholders of La Banque Internationale may have against them. He should see that no privilege of amalgamating, of merging the two institutions is granted until the audit which is provided by the new Act, at the request of the shareholders at the annual meeting, takes place. I am not asking too much in the interest of justice, in the interest of fair play. I know it is very disagreeable to bring these facts before the House and very annoying but shall we, who belong to the highest tribunal of the land, allow the fair name of Canada, which until lately stood so high on the European market, to be besmirched? Shall we be silent while by these various undertakings launched in the European market ruin and desolation are brought to so many families? I say it is the bounden duty of the Government to investigate the whole case and to see that justice be done to those who have suffered.

Hon. W. T. WHITE (Minister of Finance): I have listened with very great interest and attention to the remarks of my hon. friend. He has made some very

serious and grave charges with regard to the incorporation and administration of this bank. As a member of Parliament and as a former minister no doubt he is seized and aware of the responsibility which he assumes. For my own part I will speak with a very great deal of restraint, the more so because I am speaking of an institution, and especially a financial institution, carrying on its business in Canada to-day.

Now, I will not say that my hon. friend has deliberately made an untrue statement, I will not say that, but I will say, and I will prove to this House, that he has made a recklessly untrue statement, a statement that he should never have made, and that there was absolutely no justification whatever for his making it. He stated—and I could not believe that I had heard him correctly until I had got a report from 'Hansard' which I have in my hand—that the Treasury Board of the late Government, that Mr. Fielding, had refused the certificate. And he said:

There are reasons contained in the refusal as it appears in the documents which are in the hands of my hon. friend the Minister of Finance.

That is the statement that he made before six o'clock. Within the last five minutes he has supplemented that statement, and has said that the Hon. Mr. Fielding was warranted in refusing that certificate. I deny absolutely that the Hon. Mr. Fielding refused the certificate, and I will prove that to the satisfaction of the House. I shall prove also that the Treasury Board did not refuse the certificate.

Mr. LEMIEUX: Did he grant it?

Mr. WHITE: Not only that, but at the meeting at which the matter was dealt with by the Treasury Board of the late Administration—and I have the minutes of that meeting before me—the matter was deliberately left over for the consideration of the incoming treasury board.

Mr. LEMIEUX: Hear, hear.

Mr. WHITE: More than that, at this meeting my hon. friend was actually present.

Mr. LEMIEUX: Hear, hear.

Mr. WHITE: And yet he has the temerity——

Mr. LEMIEUX: Do not play on words.

Mr. WHITE: And yet he has the temerity to get up in this House to make, as I have said, not a deliberately untrue statement, but nevertheless a recklessly untrue statement, because what is more reckless than for a man to be present at a meeting and then subsequently make a misstatement as to what occurred at that meeting without even taking the trouble to inform himself as to what actually transpired? I shall read to my hon. friend the minute, and leave it to the House and to my right hon. friend to judge as to whether my hon. friend was justified in saying that the Hon. Mr. Fielding and the late Treasury Board had declined to issue that certificate. I will show that great care was taken by the previous Administration, as by this one, because we ought to be fair. My hon. friend sometimes, it seems to me, is not capable of being fair. There is no more specious and plausible speaker in the House, who gives a greater semblance of fairness than my hon. friend, and yet underneath there is always, it seems to me, the under-current of political animus which warps his judgment and makes it almost impossible for my hon. friend to make an absolutely correct statement where a political situation is involved. My hon. friend is no Nathaniel, he is not wholly a man without political guile. I have discovered that on more than one occasion and on this occasion he has even excelled himself. This is the minute of the meeting of the Treasury Board of the late Administration at which were present my hon. friend among others, Mr. Fielding, Sir Richard Cartwright, Mr. Paterson, Mr. Fisher and Mr. Mackenzie King. This is the last meeting, the date being 27th September, 1911. It was only six days after a certain happening to which I am sure I need not direct the attention of the House. The 27th September was six days after an event which I have no doubt is indelibly inscribed on the tablets of the memory of hon. gentlemen opposite.

Mr. EMMERSON: Take it as read.

Mr. WHITE: My hon. friend would like me to take it as read, but I am going to read it.

The Board having had submitted to them the further papers——

Continuing their investigations——

—the further papers in connection with the application of La Banque Internationale for a certificate under the provisions of the Bank Act to enable it to commence business, is of the opinion that the matter requires more consideration than can be given to it in the present state of affairs, when a change of administration is about to take place.

The board therefore without expressing any opinion——

Some hon. MEMBERS: Hear, hear.

Mr. WHITE: Did Mr. Fielding reject the application? Did the board decline it?

Mr. LEMIEUX: Read it all.

Mr. WHITE: I will take my own time to read it. I am going to rub it in a little bit. Did Mr. Fielding decline the applica-

tion? Did the Board reject it? Did the Government say, 'we won't issue this certificate'? Did they say that the Bank Act had not been complied with? (Reading):

The Board therefore, without expressing any opinion on the merit of the application, desire to leave the papers for the consideration of the new Treasury Board.

Now, the hon. gentleman has referred to very many matters, and has made many charges. Personally I propose to deal only with his assertions and statements in so far as they may, by implication,—because he does not make the express charge—have any bearing whatever upon the propriety of the issue of the certificate to the Banque Internationale by the Treasury Board.

At the outset I desire to make this comprehensive statement, and I shall be a great deal fairer than my hon. friend, I hope. I say that very careful and diligent consideration was given to this question of the issue of the certificate by the late Treasury Board, and that the same character of diligence and the same care and full consideration, were given to this application by the present Treasury Board. In the first place, I desire to go back to the incorporation of the Banque Internationale. As my hon. friend has stated, the bank was incorporated in April 1911, and that incorporation was of course under the late Government. My hon. friend, therefore, can cast no imputation, upon this Government, if the matter is at all in question, in regard to the incorporation of the Banque Internationale. In July the application was made to the Treasury Board in the usual course, under the existing Bank Act, for the certificate required by the Act. For the information of the House I may say that in order to comply with the provisions of the Bank Act, at least $500,000 par value of subscriptions must be received. I ask the House to keep these figures in mind, that at least $500,000 of subscriptions must be received, and $250,000 in cash must be paid in to the credit of the Receiver General of Canada. In other words, in order to ensure that, before commencing business, a bank shall have a substantial subscribed capital, and a substantial amount of cash with which to commence business, the Act contains these two provisions that $500,000 of subscribed stock and $250,000 in cash must be paid in to the credit of the Receiver General. Now in connection with the Banque Internationale there was a subscribed capital of $10,000,000 instead of $500,000, and of that $10,000,000 10 per cent had been paid, not quite 10 per cent, a total of $936,000. The bank had $936,000 in cash at the time the certificate was issued by the Treasury Board. Two hundred and fifty thousand dollars had already been paid in, I think in the preceding July, but at all events when the previous Treasury Board was in existence, to the credit of the Receiver General in the Bank of Montreal. Another provision was that the subscriptions amounting to $500,000 of capital stock must be bona fide. I submit that the best evidence of bona fides is payment. If a man has paid ten per cent on his subscription, no one can say, I think, that his subscription was not made bona fide; so that, apart from any other evidence as to bona fides, there is no question whatever that each of those subscribers had paid ten per cent. Now, in view, no doubt, of the episode of the Farmers' Bank, of the fact that notes of farmers had been discounted in order to raise the money paid in to the credit of the Receiver General, and of the criticism which had been evoked in connection with that, the preceding Treasury Board had taken the precaution to make very careful and confidential inquiries as to the financial standing of the foreign shareholders. They were found to be entirely unexceptional, being a very high class of subscribers indeed. It was a splendid list of subscribers that the Banque Internationale had, both in Canada and in France.

Let me point out further to my hon. friend—because he has, by implication and inuendo, cast some doubt upon the propriety of the issue of the Treasury Board certificate on account of the foreign shareholders, that if you throw out the subscriptions of foreign shareholders altogether, and consider only the Canadian shareholders, you have subscriptions amounting to over $2,000,000, as against $500,000 required by the letter of the Bank Act. In other words, if there had been no foreign shareholders the bank would have been entitled to its certificate. I doubt if there has ever been a case in which the statute was not only so literally, but so abundantly complied with as that of the Banque Internationale. My hon. friend talks about this as if it were some huge stock jobbing swindle. I am not referring to the character of the subscriptions, for any other purpose than to show that they were bona fide, as required by the Bank Act. Who were the subscribers in Canada? Some of the most influential and prominent men of this House were amongst the subscribers at the time the application was before the Treasury Board.

An hon. MEMBER: On both sides.

Mr. WHITE: My hon. friend has given the impression that the application should not have been given favourable consideration. Who were the subscribers? I must name the men in this House, because no doubt they will rise and say what they think of the manner in which my hon. friend (Mr. Lemieux) has characterized the

promotion of the Banque Internationale. What has my hon. friend from Pictou (Mr. Macdonald) to say in regard to what my hon. friend has said of the Banque Internationale? What would my hon. friend from St. Lawrence division of Montreal (Mr. Bickerdike) say, if he were here and able to defend himself, as to the inuendo of my hon. friend? And what would my hon. friend from Centre Toronto (Mr. Bristol) have to say to my hon. friend for characterizing the Banque Internationale in the manner he did? What about the promoters of the Banque Internationale at the time the application was before the Treasury Board? Four of the most representative Parisiens, men of high standing, were on the board, and five Canadians. Who were the five Canadians? They were Sir George Garneau whom my right hon. friend (Sir Wilfrid Laurier) thought worthy to appoint head of the Battlefields Commission of Quebec; the hon. Mr. Taillon, now postmaster of Montreal, Mr. Bickerdike, the hon. member for St. Lawrence division, Montreal, and Mr. J. N. Greenshields, K.C., one of the leading lawyers of Montreal. We know what the hon. gentleman wants to do, we know that, in a subtle way and by innuendo, he wants to bring this into politics. He wants to take an application like this before the Treasury Board and make it the basis of a political attack. Knowing this, I appeal to any man sitting in this House, I do not care where he is, and I ask my hon. friend, if, in view of the provisions of the Bank Act to which I have referred, in view of the character of the shareholders of the bank, Parisian and Canadian, in view of the men of standing I have mentioned amongst the shareholders and in view of the high character of the directors, any Treasury Board if any government would be justified in withholding that certificate? There is no provision in the Bank Act against a foreigner, whether he is French, German, Austrian or Russian, acquiring bank shares in Canada. If any of my hon. friends is a shareholder in a bank and he desires to sell his shares to a Frenchman, the transfer may be made and it is not illegal. It is exceedingly desirable that capital from abroad, whether French or German, should be invested in Canadian bank stock. There is not enough capital invested in Canadian bank stocks and that is one of the questions we will have to meet in future. We must consider the question of where the money is to come from for subscriptions for further shares in Canadian banks. Is a government to say that, because there are a number of French subscribers to the stock of a bank, no certificate is to be issued even although they are reputable men who have subscribed for the shares of the bank and who are willing to put their money into it and to engage in the banking

business? It is absurd on the face of it and nobody knows it better than my hon. friend.

The late Treasury Board took care and exercised diligence in connection with this application and the incoming Treasury Board exercised a like care and diligence before they issued the certificate. One question to which my hon. friend has adverted, and this was also within his knowledge, was the question of the subscription of Mr. D'Aoust of Paris. My hon. friend knows very well, or should know because he was a member of the Treasury Board, that the question of the validity and propriety of the D'Aoust subscription was passed upon by the Deputy Minister of Justice who advised the Treasury Board of the late Government of which my hon. friend was a member, that the D'Aoust subscription was a valid, binding, legal subscription. Another matter that they took up most carefully, I admit, was the question of whether a certain election of directors had been proper, they interposed certain objections and in consequence of that another meeting was called and the defect was remedied. I have no fault to find with the course pursued by the previous Treasury Board. After having held three meetings and having, as I have said, obtained the report of commercial agencies as to the standing of the subscribers and after having obtained the opinion of the Department of Justice as to this particular subscription in issue and as to the election of the board of directors at that time, they carried it down to the 27th day of September, just before the Government went out of office, and then they said: we are not in a position to deal with this question thoroughly and we will leave it for the incoming board. I leave it to both sides of this House to say whether my hon. friend was justified in making the statement that Mr. Fielding had refused a certificate to the bank and in characterizing the bank and the reputable men who formed its list of shareholders and directors in the manner he has.

There are two other matters to which my hon. friend referred. As I have said, his criticism is not based on direct statement, but upon innuendo. He referred to the pooling agreement, brought it in, wanted to get it in, wanted to talk about it. He said that the Minister of Finance did not know about the pooling agreement, but, nevertheless, here it is and I will read it. He says that the agreement is illegal and that the Government never saw the agreement until last fall; It is an agreement between individuals; any set of men can get together to-morrow and make a pooling agreement without the knowledge of any one in this House. At the time when this matter was before the Treasury Board nobody had ever heard of this pooling agree-

ment, no member of the late Government, no officer of my department and no member of the incoming Government, so far as I know. At all events, the pooling agreement is an agreement between individuals. Whether it exceeds the contractual ability of the parties, I am not prepared to say. It is a question of law, and it has no bearing upon the question of the propriety of issuing the Treasury Board certificate. It had never been brought to the attention of anybody until we saw it in a paper published in the city of Montreal some time last fall, a year after the issue of this certificate. It has no bearing on the question of the requirements of the Bank Act which call for $500,000 in subscriptions and $250,000 paid in cash.

My hon. friend has quoted from the Globe. The Globe also has the same faculty as my hon. friend of making plausible and specious statements and at the same time making what is in substance a mis-statement by innuendo. I do not accuse the Globe, however, of doing that in the article to which my hon. friend refers. I believe that the Globe, upon that occasion, pointed out one of the provisions which I have introduced in to the Bank Act for the purpose of proving that commissions shall not be paid out by directors except with the consent and approval of the Treasury Board as to their reasonableness. But my hon. friend sought to convey the idea that it was because of some knowledge I had of this transaction before Judge Leet in the court at Montreal that I had incorporated that in the proposed Bank Act. Those provisions were inserted in the draft Bank Act long before Judge Leet had ever had this matter under his consideration. In order to elaborate a little further, let me tell my hon. friend precisely why these provisions were inserted. The Monarch bank was a stillborn institutions, a bank incorporated by Parliament, but which had never obtained its Treasury Board certificate, as it could not raise the $250,000 required by the Bank Act. Between the time of the Parliamentary incorporation and before the receiver had been appointed, because it went into the hands of a receiver, the promoters had collected about $70,000 from subscribers through the country. Out of that $70,000, there was paid for commission and for legal expenses something over $40,000, nearly all of which has been lost to the subscribers, and no certificate having been issued, of course they are not shareholders in the bank. The bank was a stillborn institution, it never was able to open its doors for business because it never obtained the certificate of the Treasury Board.

An hon. MEMBER: What bank?

Mr. WHITE: The Monarch Bank. In the case of the Farmers' Bank, between the period of its incorporation and the issue of the Treasury Board certificate, $40,000 or $50,000 went for commission, directors' fees, and other expenses. I put the provision in the new Bank Act to meet these cases. It is provided there that the provisional directors of the bank, under heavy penalty—the penalty for an offence against the Act is five years' imprisonment—shall not pay out any sum of money for subscriptions of or other large expenditures—as the Act is worded: they shall make expenditure only for certain purposes of minor consequences which would involve small expense—until the issue of the Treasury Board certificate, and the Treasury Board certificate shall not issue until the Treasury Board has decided that all expenses, which must be verified by affidavit or otherwise, are reasonable. If there is a commission, it must be a reasonable commission; if, there are legal expenses, they must be reasonable legal expenses. That is the provision in the new Bank Act and it had no more to do with questions arising out of the Banque Internationale than it had to do with anything that is not at all cognate to the subject. The D'Aoust note was brought to my attention, and I have no doubt it was brought to the attention of my hon. friend (Mr. Lemieux), by a report that proceedings of a criminal nature were being instituted in Montreal, in which the question arose as to whether the return made to the Government was a proper return; in other words, as to whether this note entered among the assets of the bank should not appear among the liabilities of the bank as an item representing liability for these commissions. The questions involved were questions of law and questions of fact. The courts of this country deal with legal questions, and where better could the matter have been tried out than before the courts? Is the Minister of Finance to step in and prejudge a case pending in the courts? I do not know whether I am correctly informed or not, but I have seen in the newspapers that that note has been paid.

Mr. LEMIEUX: Why?

Mr. WHITE: I do not know; my hon. friend may know. I am not reflecting in any way upon my hon. friend for any observations he has made as to anything outside of the conduct of the Treasury Board in issuing the certificate.

Mr. LEMIEUX: Does the Minister of Finance know with what that note has been paid?

Mr. WHITE: I saw the statement in the newspapers that it has been paid and I believe I read that it was paid from the sale of shares held by the maker of the note. Whether that is true or not, I cannot say. As I have said, proceedings which

involved questions of fact and of law were instituted and were pending before a judge, and I would like my hon. friend to point out to me how, under the Bank Act, the Minister of Finance or the Finance Department could interfere under such circumstances? There is no such power given in the Bank Act, and all the minister had to do was to await a decision on the proceedings pending before the court. I have confidence in our courts, and it would appear to me that any argument which the hon. gentleman may found on the inactivity of the Finance Minister in regard to such a case, must necessarily fall to the ground. I think I have shown conclusively that the late Treasury Board did not refuse the certificate, but by reason of their going out of office, left the question of the granting of the certificate for the consideration of the incoming Treasury Board. I have shown that the law was not only complied with in spirit and in letter, but abundantly complied with; that the subscription of stock was many times that required by the Act; that there was a good list of shareholders presented; that the subscriptions were bona fide; that the amount required to be paid to the department was paid in cash, and, if the intention of the Bank Act is to be observed at all, that the certificate must issue. I say further, that the intention of the Bank Act is, that when its requirements are complied with, the certificate will issue, unless there is evidence of fraud or impropriety of some kind, which of course were absent in this case. That generally, is my answer to the hon. member. I must again express my surprise that the hon. member for Rouville should make such unfounded statements, recklessly—not wilfully but recklessly—without taking the trouble to inform himself on a matter in which he, above all persons, should be well informed because he was a member of the former Treasury Board. I am surprised that a former minister and a member of this House should make such an attack as he has made upon a foundation so unstable; in other words, that he should build up an attack upon a tissue of—I will not say wilful—but nevertheless misrepresentations.

Sir WILFRID LAURIER: Mr. Speaker, the motion before the House is in these words:

Address for a copy of all minutes of the Treasury Board, all Orders in Council, and all other papers or documents, in any way relating to the issue by the Minister of Finance of the license to La Banque Internationale du Canada.

My hon. friend from Rouville, in making the motion, was careful to say that he did so in order to call the attention of the House to the case of this bank, which in his opinion ought to be investigated, and that the papers when brought before the House would not only justify, but compel an investigation into the transactions of this bank.

He quoted the president of the Farmers' Bank to the effect that for the protection not only of the bank, but of the public generally, full light should be thrown on the matter; that the same reasons would apply to this bank as to the Farmers' Bank, and that there were as much reason to compel an investigation of this bank as to compel one in the case of the other bank. He proceeded to give some of the facts which in his judgment showed that the same reason prevailed in the one case as in the other. He first dealt with the granting the certificate by the Treasury Board, stating that in the late Administration, the Treasury Board, at the head of which was the predecessor of my hon. friend, declined to issue the certificate. My hon. friend jumped upon this expression and——

Mr. PELLETIER: He said refused.

Sir WILFRID LAURIER: Call it 'refused' if you will. He jumped upon this expression. I believe my hon. friend interjected that we had been quibbling in this matter. I think that, on reading the evidence, he will agree with me that that expression was not justified. He has read to us the report of the Treasury Board. If I had it, I would read it again. It stated that the granting of the certificate had been under consideration since the month of July, but that the Treasury Board would not grant it, but would leave it to be dealt with by the coming Administration. This is what the report says:

The Board having had submitted to them the futher papers in connection with the application of La Banque Internationale du Canada for a certificate under the provisions of the Bank Act to enable it to commence business, is of the opinion that the matter requires more consideration than can be given to it in the present state of affairs, when a change of administration is about to take place.

The Board therefore, without expressing any opinion on the merits of the application, desire to leave the papers for the consideration of the new Treasury Board.

In taking this course it is desirable to state that apart from and in addition to the questions usually engaging the attention of the Board in connection with an application for the granting of a certificate to a new bank to enable it to commence business, there are some matters which call for special consideration in connection with the present application.

While the amount of capital subscribed is much greater than the amount of subscribed capital in connection with any preceding application to the Board, it also appears that, out of the total allotments of stock amounting to $9,239,400 made by the Provincial Directors, $7,156,000 thereof has been allotted to

subscribers residing and domiciled in a foreign country. The amount of stock allotted to subscribers domiciled in Canada is $2,083,400. Foreign subscribers number 191; subscribers in Canada number 183.

The large amount and large proportion of capital subcribed abroad, in its relation to the provisions of the Bank Act, with regard to the enforcement of the double liability, is one of the matters referred to.

There is another feature connected with the foreign subscriptions to which attention may here be drawn. One of these subscriptions is for 10,000 shares—$1,000,000 of the capital stock. The subscription is made 'in trust.' The person or persons for whom the trust is held are not disclosed. In the absence of such disclosure the subscriber for this large amount, apparently in ordinary financial circumstances (being in charge of the Paris office of Mr. R. Forget, the President of the Bank), is alone responsible, so far as the records of the Bank afford information as to persons liable, for the double liability should occasion arise for enforcing the provisions of the Act in regard thereto. There is a further subscription of $250,000 by the wife of the same party.

Mr. LEMIEUX: That was not read.

Sir WILFRID LAURIER: The application of the provisional directors of the bank for the certificate had been before the Treasury Board of that day. Then and there this application had been 'refused,' as my hon. friend states, for two specific reasons, if I remember rightly. One reason was that one of the directors who had been elected was not qualified. The Act requires that there shall be at least five directors. Nine directors had been elected, but it turned out that one of the directors was not qualified, I think, because his subscription had been made not by him but by his firm, and we were advised by the Department of Justice that it was better to be on the safe side, and to hold that this director was not qualified unless he subscribed personally. It was, however, pointed out that nine directors had been elected, although five would be a legal number. The final decision was that, as the shareholders had seen fit to elect nine directors, every one of them must be qualified, and therefore Mr. Fielding declined to issue the certificate. This difficulty was got over, as I understand, by electing another director or the same director after he had been properly qualified. There was another technical difficulty with regard to the subscriptions of the directors in France; they had subscribed by proxy only; but I was advised that this defect could be cured, and it was cured. When the change of Government took place, the matter was still under consideration, and the Government of that day declined—I repeat my hon. friend's statement—refused to issue the certificate. My hon. friend quibbles upon that word. The matter of issuing a certificate of a bank is a technical one, largely ministerial. The Treasury Board has to see that all the formalities are observed, that the law is carried out in every particular. The Treasury Board of that day would not issue the certificate pending the settlement of the difficulties to which I have alluded. The fact that there were foreign shareholders, the fact that the question of the double liability had to be considered, and similar considerations at that moment were such that the late Government declined—refused to issue the certificate, but left it to my hon. friend and the coming Administration to deal with the matter. They dealt with it and they issued the certificate.

Mr. LEMIEUX: At what date?

Sir WILFRID LAURIER: I do not know the date, but it is of no material moment. My hon. friend the Minister of Finance pleads to-day that he acted in good faith. No one says that he did otherwise.

Mr. WHITE: Rightly, under the Bank Act.

Sir WILFRID LAURIER. The question is whether he exhausted all the precautions he might have taken. To-day my hon. friend spoke of pooling the arrangement or agreement which took place between the president of the board and certain Canadian shareholders, whereby a contract was made with these shareholders that, having paid ten per cent of the capital stock, they would not be called upon to pay another cent. If such an agreement as that had taken place, I doubt very much, had it been known to my hon. friend and the members of the Treasury Board, whether they would have issued a certificate under the circumstances. My hon. friends say that such an agreement might have been legal, but, if so, would they say it was right and proper that such an agreement of this kind should be made by the president of the bank? My hon. friend says the shareholders were honest and reliable, and in this connection he mentioned the name of the hon. member for Pictou (Mr. Macdonald). But what has this to do with the present matter? If ninety-nine were honest and the hundredth dishonest, the blame should be placed upon that one, and the others be vindicated. My hon. friend says there are matters to be investigated involving the protection of the shareholders and creditors of the bank, but I think he has not properly comprehended the spirit of the statement made by the mover of the present address He simply said there were, in connection with the issue of the certificate, transactions of an irregular nature which demanded an investigation.

Mr. WHITE: Does my hon. friend understand that the pooling agreement was not in any way before the Treasury Board?

Sir WILFRID LAURIER: I have said I never knew the pooling agreement was before the Treasury Board, and I further believe that if it had been, my hon. friend would have taken a different course. Certainly the certificate was issued in the absence of important information. I do not blame my hon. friend at all because the matter did not come before the Treasury Board; I do not even say he did not take all the precautions he should have taken, but I do say that the subsequent facts which transpired were circumstances in regard to which, as has been suggested by the hon. member for Rouville, there should be an investigation.

Referring to the matter which came before the courts, my hon. friend made an argument upon this point which was entirely aside from the question. He said the courts have to decide this matter, and we, therefore, have nothing more to do with it. But the matter which came before the court was a criminal information laid against Mr. Bird, manager of the bank, and the court came to the conclusion that Mr. Bird was not liable to prosecution, and that, in its opinion, he had not acted criminally. From this does it necessarily follow, even though it is established, that Mr. Bird did not act criminally, that he acted prudently, or even in accordance with his duties? I think my hon. friend will agree with me in the statement that the manager of an institution may act altogether contrary to his duties without making himself liable to a criminal charge, and, even in view of Mr. Bird's vindication by the court, I doubt very much whether he was free from blame. I was rather shocked at the evidence given by Mr. Knight, secretary of the Bankers' Association, who saw nothing wrong in the conduct of Mr. Bird. The press reports deal as follows with the case in question:

In closing the case, Judge Leet said that the charge was one of a serious nature, and the circumstances arose out of a transaction, which was subject to criticism, made by two officers of the bank and kept secret from the board.

I may say that the charge made against Mr. Bird was that of having made a false return to the Minister of Finance with regard to a note for $200,000. That note was reported in Mr. Bird's statement to the Minister of Finance as a current loan, and it was charged that it was not a current loan, but a payment made to Mr. D'Aoust, who had discounted the note for services rendered. The judge held that he was not liable to prosecution; but, in my humble judgment, Mr. Bird's action was absolutely contrary to the Bank Act. The report referred to proceeds as follows:

'After hearing the evidence of Mr. Knight,' said Judge Leet, 'whose opinion carries conviction both in Canada and throughout the world, and Mr. Muir connected with one of the oldest and most conservative banks in the country that the returns had been made out as they would have done it, I could not let the matter go further as there would be no practical result.'

'Up till the present,' said Judge Leet, 'I have conducted the hearings in camera and this has given rise to some criticism, all of which has not been favourable, but I do not care about that. I feel that important things like this could not be stifled. Our financial institutions should be above reproach and also the manner in which they are managed. For my part this matter should not go further and I will not issue warrants.'

The first action in this matter was taken on October 14 last when Mr. Henry Ducout, of Paris, France, laid a complaint alleging that during the months of April, May, June, July and August, 1912, one James Godfrey Bird, general manager of the International Bank of Canada, while acting in that capacity did knowingly and wilfully make false and deceptive statements in certain written returns to the Minister of Finance and Receiver General of Canada. These alleged statements the complaint outlined consisted in omitting to insert among the liabilities of the bank a considerable amount of liabilities which should have been inserted.

The evidence was to the effect that Mr. Ducout, representing the French shareholders and Mr. De Senn, who had been brought from Paris to enter the bank, went to Mr. Robert Bickerdike and told him that a loan of $200,000 had been made to Mr. D'Aoust. Mr. Bickerdike, vice-president of the bank, said that the report could not be true, and expressed the opinion that everything was going on in the bank as it should be. The two gentlemen still insisted and finally Mr. Bickerdike communicated with his brother director, Sir George Garneau, and they went to Mr. Bird, the manager of the bank, who admitted that this had been done against his own better judgment, and when asked why he had done it, he said that it had been done under the orders of Sir Rodolphe Forget, the president. When asked what he had done, Mr. Bird said that he had discounted a note for $195,000 or $193,000, and he brought out and read an acknowledgment signed by himself and the inspector of the bank, Mr. F. G. Ramsden, which read as follows:

March 7, 1912.

O. B. D'Aoust, Esq.,
Montreal.

Dear Sir,—Herewith we beg to enclose your our cheque for two hundred thousand dollars, being the proceeds of two notes for one hundred thousand dollars each, signed by you, and payable to the order of this bank on demand, with interest at four per centum per annum, and dated this seventh day of March, 1912. It is understood and agreed between us that payment on account of premiums on the capital stock of this bank, up to the extent of the amount of two hundred thousand dollars hereafter received are to be applied in liquida-

tion of the above-mentioned two notes for one hundred thousand dollars each, until the same have been fully paid and satisfied.

The interest at the rate of four per centum per annum payable on the said notes is to be paid to the bank at its head office in Montreal on the last day of every month so long as any balance on said notes shall remain unpaid.

The said sum of two hundred thousand dollars is now advanced to you in consideration for and payment in full of all commission, legal expenses, organization expenses, and any other disbursements whatsoever in connection with and on account of the subscription to or sale of the shares of the capital stock of this Internationale Bank of Canada and the organization thereof.

Yours truly,

(Signed) Godfrey Bird,
General Manager.
F. G. Ramsden,
Inspector.

I leave it to my hon. friend—here is a note which is given for consideration. The consideration is the payment for the services of Mr. D'Aoust; and yet the gentleman who discounted the note, who gave the proceeds to the man who is the signer of that note, tells him that this note is in payment for services rendered. Was this, I ask my hon. friend, a note to be reported as money loaned? Was the statement of the manager of the bank to my hon. friend that he had loaned to Mr. D'Aoust $200,000 a true statement? Is that a transaction which is to be allowed in a bank of this country if the name of our financial institutions is to be held above reproach? Here is a note discounted on March 12, 1912, at the instance of the president of the bank. His co-directors never knew a word of it until they were told of it by one of the victims of the bank, Mr. Henry Ducout of France. Yet Mr. Knight, the secretary of the Bankers' Association, said it was a correct report which he made. The secretary of the Bankers' Association gave his imprimatur to this transaction. My hon. friend said a moment ago that it was not in consequence of these disclosures that he introduced in the Bank Act which he has presented to this House the new provisions to protect the shareholders, the creditors of the bank, and the public; he had never heard of the transaction. I believe that if he had heard of it he would have amended the Bill to prevent the repetition of such transactions; because, Sir, this is a payment, this is not a discounted note, and the very words uttered by my hon. friend a moment ago, that he understands that the note has been paid since, show that after all there was something to be looked into further. And how was the payment made? Look at the letter here. How was it to be made? As an ordinary note? Is the note without any conditions? No. The note was to be repaid to the Bank in this way:

It is understood and agreed between us that payment on account of premiums on the capital stock of this bank up to the extent of the said amount of two hundred thousand dollars hereafter received are to be applied in liquidation of the above-mentioned two notes of one hundred thousand dollars each until the same have been fully paid and satisfied.

The premiums to be received out of the sale of the stock to D'Aoust were to go towards the payment of the note. Was there ever such a farce as to suppose that the capital stock of that bank would sell at a premium? I have seen myself in a newspaper since that this note has been paid out of the proceeds of the premium. There is another thing in that to be investigated, aggravating the offense. Who believes, knowing what we know of this bank, that anybody ever paid a dollar premium to get a dollar of stock in it? I see some bankers and astute business men on the Government side of the House. I wonder if any of them will rise and say: I paid a premium to become a stockholder in that bank. The thing is a farce. Ten per cent premium, I understand, was paid by the French shareholders. The stock averaged $12.50, and the stock for which $12.50 was paid has since been sold, as I understand, to the Home Bank for $5. In other words, this colourable transaction of paying a premium was put upon the books of the bank in order to cover the payment of that note. My hon. friend to-day read a statement that there had been a resolution of the bank that there should be no commission paid to anybody for subscribing to stock, and yet Mr. D'Aoust received the sum of $200,000, according to the letter I have just read.

The said sum of $200,000 is now advanced to you in consideration for and payment in full, of all commissions, legal expenses, organization expenses and any other disbursements whatsoever in connection with and on account of the subscription to or sale of the shares of the capital stock of this Banque Internationale du Canada and the organization thereof.

These are the facts which have been brought to the attention of the House by my hon. friend (Mr. Lemieux) to-day, asking for the production of these papers, which, when they are brought to the attention of the House, will justify, as he thinks, an investigation of these facts. My hon. friend will agree that there is in connection with this bank a condition of things which is not satisfactory, and which requires further light to be cast upon it. The motion of my hon. friend does not go further than that, and everything he says justifies the conclusion that the matter cannot rest

where it is. It was not satisfactory for my hon. friend the Minister of Finance to take my hon. friend to task for an expression of his which, after all, was quite justified by the event. This is not the time to come to a conclusion, but enough has been placed before the public to show that the papers should be brought down immediately, and later on we shall probably hear more about the matter.

Mr. BORDEN: Throughout the observations of the right hon. gentleman there seems to have been a singular failure to realize that this bank is a going concern, and the same curious failure to realize the situation was observable in the remarks of the hon. member for Rouville. In fact, my hon. friend from Rouville, who is supported in that respect by the leader of the Opposition, made an appeal in the concluding portion of his remarks to the Minister of Finance to see to it that $200,000 out of which, as he alleges, this bank has been defrauded, should be restored to the bank. Is there any hon. gentleman in this House who does not know that the Government of Canada has absolutely no power to take proceedings on behalf of or in the name of that bank to recover that money? Is there any hon. member of this House or any man in this country who does not know that the Bank Internationale, being still a going concern, has the most absolute power to go into the courts of this country and recover from any persons money owing to the bank? The Government of Canada has no more power to use the name of that bank for recovering that money than my hon. friend the member for Rouville. It would be just as sensible a thing for the Minister of Finance, standing in his place in Parliament, to appeal to my hon. friend from Rouville to institute proceedings for the recovery of that money owing to the Banque Internationale. The circumstances are absolutely different from those which were presented to this House in relation to the Farmers' Bank of Canada. That bank had become bankrupt, had gone into liquidation, and its assets were in the hands of the receiver, and an investigation was very properly demanded in this House as to the circumstances under which the treasury certificate had been issued. But the Banque Internationale is not in that position to-day. It is a going concern, and if anyone of the gentlemen, whose names have been brought into question in connection with this bank, have received commissions or any other moneys to which they are not entitled, it is not only the right but the duty of the bank to go into the courts of this country and recover that money. Either my hon. friend from Rouville was endeavouring to mislead the House when he made that statement, or he is very much less conversant with the law of this country than I would take him to be from his experience at the bar.

Now let us look at one or two of the other suggestions that have been made. Does my right hon. friend or the hon. member for Rouville suggest that from beginning to the end of the Bank Act there is one single line which prevents the transfer of shares to persons living out of Canada, or which makes subscriptions of stock any less valid because the man who subscribes for it does not live in Canada?

Sir WILFRID LAURIER: I did not say that.

Mr. BORDEN: Does my hon. friend from Rouville make any such contention?

Mr. LEMIEUX: No.

Mr. BORDEN: Then, let us eliminate once and for all any argument based on the consideration that a considerable portion of the capital stock of this bank was subscribed out of Canada. That is out of the way, once and for all, by the admission of my right hon. friend.

Sir WILFRID LAURIER: It was not in the way at all.

Mr. BORDEN: If it was not in the way, my right hon. friend took up too much time in alluding to it. There was a proposal placed before the late administration, and passed upon by the Treasury Board. The Treasury Board of the late Administration took reasonable precautions—I do not know precisely what they were, but my hon. friend the Minister of Finance regards them as entirely reasonable and proper—to see that the provisions of the Bank Act had been absolutely complied with in every respect. There was some question about the election of one of the directors, and they were informed that the certificate could not issue until that defect had been cured, and it was cured.

Mr. WHITE: In their time?

Mr. BORDEN: And in their time, before they went out of office, so that when the matter came before them, between the 21st day of September and the 10th of October, for further consideration, they were face to face with this position, that an application had been made to the Treasury Board of Canada for the issue of the certificate upon evidence as to which there was no dispute. Ten million dollars of capital stock had been subscribed, and $936,000 had been paid-up in cash upon that subscription. The only suggestion, barring one, that I have heard from beginning to end—indeed the only one that I have heard of in this debate—was that $8,000,000 had been subscribed by persons who were not resident in Canada, and my

hon. friend the member for Rouville, and the right hon. the leader of the Opposition, have absolutely removed that objection by admitting formally across the floor of the House that there is absolutely nothing in it.

Under these circumstances, there is only one other consideration, and that is, if I understand the memorandum left by the former Treasury Board, that one of these subscriptions amounting to $1,000,000 had been made in trust. Anyone who has any knowledge of stocks in banks and other companies in this country knows that stocks are often held in trust, without any statement whatever of the persons for whom the trust exists, and subscriptions to the capital stock of banks and other companies are made precisely in the same way. But if you absolutely put to one side that $1,000,000 of stock in trust, so described according to a very common practice in this country and in other countries, if you absolutely eliminate that from consideration, you have still left the fact that, $9,000,000 had been bona fide subscribed beyond question, and that upon that, $936,000 had been paid-up in solid cash, and was then at the credit of the Receiver General of Canada beyond peradventure.

Well, we have wasted a good deal of time to-day in discussing objections in which, after all, there is very little, according to the admission of my hon. friends on the other side of the House. My right hon. friend Sir Wilfrid Laurier is distressed because some of the stock was subscribed at a premium. Surely he is not so absolutely non-conversant with subscriptions to the stocks of banks and other companies as to fail to understand that very often they are subscribed at a premium. I myself had an unfortunate experience in subscribing for some stock at a premium of 25, and about three years afterwards I would have been very glad to get the 25 for it, and to let the principal go.

Sir WILFRID LAURIER : In this case my right hon. friend would not have bought the stock at a premium.

Mr. BORDEN : My right hon. friend seems to know a great deal more about the affairs of the bank than I do. I do not know whether I would have subscribed for it at a premium or not.

Sir WILFRID LAURIER : I know my right hon. friend too well for that.

Mr. BORDEN : I know it is not an uncommon practice to subscribe for the shares of insurance and trust companies at a premium. The stock of the Metropolitan Bank of Toronto was subscribed for at a premium of $100. For every $100 of stock in the bank the subscriber paid $200 in the first instance and that is not an uncommon thing. I do not know why my right hon. friend should say that I would not have subscribed for this stock at a premium. If one hon. gentleman on the other side of the House of great business experience, of the highest integrity, one in whom I would have reposed the highest confidence, had come to me and given me the opportunity I would have been very much inclined to have gone out, borrowed some money and subscribed for some of these shares. Then, I would have been strengthened by the fact that other gentlemen on the other side of the House were connected with this bank and, reposing the confidence I do in the good business acumen of these gentlemen, having more confidence in their business acumen than in their political acumen sometimes, I would have been very much inclined indeed to have bought this stock at a moderate premium of ten per cent, and I think that my right hon. friend, after consideration of the gentlemen on the other side of the House connected with this bank, will be inclined to recall his rather rash assertion that neither he nor I would have taken this stock at a premium. We would have been very glad to have got it at a moderate premium, but it would have been regarded as so valuable an acquisition that I suppose it would not have been offered to either one or the other of us.

As far as the pooling agreement is concerned, it is not before us and I do not propose to discuss it. As I understand the observations which were made with regard to it, it does not seem to me that it would affect the validity of the incorporation of the bank or bar the issue of the Treasury Board certificate. What would it have amounted to in the end ? What would it have amounted to if this bank had gone into liquidation ? It would have amounted to this, that when you came to settle the list of contributors, those names would have been placed upon the list as contributories, liable for calls upon that bank, but they would have had the right, if the practice in the other provinces is the same as that in the province of Nova Scotia, to come in under the liquidation proceedings and to ask for indemnity against the persons who had agreed to indemnify them with respect to these further calls. So far as the public interest and so far as this bank are concerned, any agreement of that kind would not weigh for one moment. The liability of these men would be absolutely the same as if no pooling agreement had been made, but they in turn would have had the right to call upon the persons who had undertaken to indemnify them against any further calls, to perform their agreement.

What else was there in the observations of my right hon. friend ? He calls in question the judgment which has been delivered

by Judge Leet. Does not my right hon. friend call it in question?

Sir WILFRID LAURIER : I say I do not call in question what Judge Leet says, that Bird was not liable to criminal prosecution, but that the action of Bird was contrary to the Bank Act.

Mr. BORDEN: I may not understand the proceedings properly and I speak as to this matter subject to correction. But if I do understand the proceedings correctly they were directed against Mr. Bird, or whoever the person was, for the reason that he had been guilty of an infraction of the Bank Act and the judge, whom I do not know and whose name I have never heard until these proceedings came into question, who was appointed by the authorities of the province of Quebec and not the Federal authorities, but who, as far as I know, is a reputable and capable man, has said that this man is not guilty, or rather he has said that no such case has been made against him as would justify him in issuing a warrant. That is as I understand it.

Sir WILFRID LAURIER: That is it.

Mr. BORDEN: Then, what are we discussing? The subject has been under consideration by an upright and capable judge, he has heard evidence at very great length, he has considered that evidence and, in the end, he has announced publicly his conclusion that no case has been made against this man for the issue of a warrant. What is the suggestion? Is the suggestion that my hon. friend the Minister of Finance should have come to the conclusion that Judge Leet is incapable or dishonest and should have proceeded to deal with the question upon an assumption of that kind? The question was in the court, considered by the court, dealt with by the court and the court has come to the conclusion that no case has been made out. In dealing with the case my hon. friend has acted, I suppose, upon the evidence of Mr. Knight, of which I never heard until my hon. friends opposite mentioned it, that according to the ordinary usage of bankers the course which Mr. Bird had adopted in the matter was not an unusual or irregular course.

Under these circumstances I can only say in conclusion that I regret that my hon. friend from Rouville (Mr. Lemieux), should have made the statement he did of the action of the Treasury Board of the late Administration. He stated distinctly in my hearing—and if he had not been corrected by my hon. friend the Minister of Finance, the impression would have gone all over the country, and he must have intended that that impression should be created—that there had been, in the first place, a case laid before the Treasury Board under the late Administration, that the case had been heard and considered and that there had been a deliberate refusal by the late Treasury Board to grant that certificate. The minute of the very meeting which he himself attended contains these words:

> The board, having submitted to them the further papers in connection with the application of La Banque Internationale du Canada for a certificate under the provisions of the Bank Act to enable it to commence business, is of the opinion that the matter requires more consideration than can be given to it in the present state of affairs when a change of administration is about to take place. The board, therefore, without expressing any opinion on the merits of the application, desire to leave the papers for the consideration of the new Treasury Board.

It is not to the credit of my hon. friend for Rouville to tell this House and the country, in the face of that statement made by his colleague and himself, that there had been a refusal by the late Administration to grant this certificate. There was no refusal by the late Administration to grant this certificate. The action of the Board was for the purpose of having some further evidence adduced and for the purpose of correcting a defect to which attention had been drawn. That further evidence had been adduced, the defect had been corrected, and then they left it to their successors, as they themselves stated, without expressing any opinion upon the merits. My hon. friend calls that a refusal, and, I think, did himself no credit in seeking to create such an impression. In conclusion, I can only say that there is not the slightest objection to bringing down every paper of record with regard to this matter or to any further discussion of it that hon. gentlemen on the other side of the House may desire.

Mr. A. K. MACLEAN (Halifax): I was not a member of the House when the issuance of the certificate to the Farmers' Bank was discussed, but I of course from time to time read the criticisms in the Conservative press made on the Government by hon. gentlemen now on the Treasury benches who were then sitting in Opposition. In view of the course taken by hon. gentlemen opposite in that matter, it is strange indeed to observe to-night the supersensitiveness of the Minister of Finance, and the violent indignation of the Prime Minister and other hon. gentlemen opposite at the remarks made by the hon. member for Rouville on this motion. The Prime Minister endeavoured to thrust aside the argument of the hon. member by indulging in banter and irrelevant remarks, such, for instance, as, that the Banque Internationale is a going concern. It may be a going concern, but it is in

the sense of the auctioneer's 'going, going, gone.' The Prime Minister ridiculed the idea that some effort should be made to secure restitution for the French shareholders who have suffered heavy financial loss, and that investigation should be made in connection with the $200,000 paid to D'Aoust as commission for securing stock subscriptions. What the hon. member for Rouville suggested was that there should be a commission appointed to enquire into the whole matter, and if this commission should report that this money was improperly paid to D'Aoust, then there are many ways by which restitution to the bank might be compelled as against D'Aoust, or those associated with him. The Prime Minister further said that this institution is not bankrupt, and, technically I assume that is correct. It is fortunate that he is able to make such a statement. But it is nevertheless a fact that over $300,000 has been lost by French stock subscribers. I believe that no certificate should have been issued to the Banque Internationale, but no doubt there are hon. gentlemen in this House who may honestly entertain another opinion. Speaking for myself, I do say that the judgment of the Treasury Board of the late Administration, refusing the issuance of a certificate, was sound. At any rate, subsequent events proved their judgment to have been sound.

The Minister of Finance has urged that no refusal was made by the late Treasury Board, but such a conclusion is absolutely unwarranted. Speaking from personal knowledge I know refusal was made. I heard, early in October, 1911, one of the directors of this bank told by the late Minister of Finance that the certificate would not be issued. It was common knowledge at the time, that the issuance of the certificate was more than once refused. The memorandum issued by the Treasury Board just before leaving office set forth some of the reasons which moved it to refuse this certificate. It was natural that they should leave some memorandum upon the files referring to this matter, but it would hardly have been proper for the late Treasury Board to have stated in such memorandum any facts further than we find there. Anything else would have been unfair to the applicants. The fact that the certificate never was issued by the late Treasury Board is ample proof of its having been refused.

The Minister of Finance avers that because some of the shareholders and directors of the bank were then and are now members of this House and politically friendly to the late Administration, that therefore the issue of a certificate must have been meritorious. But I point out that notwithstanding that fact the application was absolutely refused by the late Minister of Finance. But after September 21, 1911, the situation changed and another Administration was at the head of public affairs and very little difficulty was met by the applicants in securing the certificate with which to commence business. It would appear that this certificate was issued within two or three days after they were sworn into office. I think I may safely venture to state that practically no investigation was made by the Treasury Board before issuing the certificate. I may safely assume that they did not make any investigation whatever, but that the demand being made for the certificate it was promptly issued.

At the beginning of my remarks I made the statement that this was a case in which the certificate should not have been issued and repeat it. There must have been reasons in the minds of the members of the late Treasury Board justifying a refusal of the application and subsequent events have proven this, and I think the present Treasury Board could easily have learned these reasons.

Perhaps some lessons are to be learned from this incident inasmuch as a revision of the Bank Act is now under consideration by this House. In a few remarks I made the other evening upon the second reading of the Bank Act, I made the statement that in the last analysis the success or failure of the banking system of this country will be determined by the men controlling and directing the management. When the Treasury Board of this country is called upon to issue a certificate to a bank for the commencement of business, the personnel of the directorate should be carefully considered. If respecting any portion of that Board of Directors there is anything justifying adverse suspicion the certificate should be withheld until a change has been made in the directorate. The Treasury Board should be granted a much wider discretion than possibly it now has under the Bank Act. It was very unfortunate indeed for Canada that matters connected with the Banque Internationale have ended as they have. The French shareholders subscribed for about $8,000,000 of the stock of the bank, owning, I believe, something like 60,000 shares. They were apparently dissatisfied with some of the directors of that institution, and believing that it was necessary for its preservation that some changes should be made they sent out to this country an attorney representing about fifty-two per cent of the total stock of the bank, duly fortified with proxies, and for the purpose of voting the proxies at a general meeting then about to be held. On his arrival in this country and on attendance at the meeting of the bank, the validity of the proxies was ques-

tioned and they were held invalid. Litigation followed, and briefly told the result in the end was that the French shareholders were obliged or deemed it prudent to sell their stock at a reduction of fifty per cent. Some lessons, I say, are to be learned from this incident in connection with the approaching revision of the Bank Act. What are the provisions necessary to constitute valid proxies should be made clear. It should not be possible to repeat the treatment accorded the majority of shareholders represented by proxy, at the meeting I have referred to.

I think further that the Bank Act should contain provisions for a careful and almost continuous supervision of a bank in the early years of its operations. Whatever form of inspection may be provided, I submit that the Act should contain such stringent provisions that it would be impossible for the directors to do anything which might threaten any bank in the early stages of its career.

In conclusion, I say that the suggestion made by the mover of this motion, that an investigation should take place in respect to the career of the Banque Internationale is quite a proper one. There are many incidents in connection with this bank's career which demand investigation. Hon. members opposite are very much interested in the investigation in progress in connection with the Farmers' Bank failure. In connection with the Farmers' Bank failure there were incidents certainly demanding investigation. This is also true of La Banque Internationale. Inasmuch as the Treasury Board of the late Administration had refused the issuance of the certificate, I must express surprise that the certificate issued with such haste and with such little consideration by the present Treasury Board. They should have assumed that there was some objection, obvious or concealed. Events which followed have clearly shown that a careful inquiry and investigation should have preceded the act of the Treasury Board. They did not I submit give the matter that consideration it deserved. The issuance of a certificate to a bank to commence business is a serious matter and what I have said will always apply no matter who the applicants are.

Hon. L. P. PELLETIER (Postmaster General): I do not wish to discuss this question at any great length, but I think it is my duty to tell hon. gentlemen opposite that it seems to me most unfair that this matter should be treated in such a way as it has been dealt with by the hon. member for Rouville (Mr. Lemieux). The object of the motion, as has been suggested by the right hon. leader of the Opposition, was to get the papers on the subject; but a great many of the remarks of the hon. member for Rouville have been directed to an effort to humiliate a political opponent who holds a seat in this House. Fortunately all hon. members who have spoken on this question have not indulged in these personal attacks which are so dear to the heart of the hon. member for Rouville. I have noticed in the press recently an intimation that the people of the province of Quebec could not deal with politics without indulging at the same time in personalities. While regretting the statement, I think the hon. member for Rouville will admit that it is, to a certain extent, justified by the fact that he so persistently makes attacks in this House upon the hon. member for Charlevoix and Montmorency (Sir Rodolph Forget).

Mr. LEMIEUX: I never mentioned his name.

Mr. PELLETIER: Let us look at this matter seriously. The hon. member for Rouville, in attacking these three companies as he did this afternoon, knows the objects he has in view and the ends he seeks to accomplish. In order to accomplish his object he has gone so far as to read a letter to this House, and, after tearing a part of it off, puts it on 'Hansard,' refusing to give the name of the gentleman who had written it. If this letter is worth anything at all the name of the man who signed it should be given. If the letter is worth the paper it is written on, the hon. member for Rouville should not decline to disclose its author. I ask hon. gentlemen if this is a fair and open way of dealing with a public matter in this House? If I should choose, Mr. Speaker, I could adopt the same kind of argument as that followed out by my hon friend and if I were to deal with some of the banks of this country, I could connect the names of certain members of this House with the names of certain banks. It is very easy to throw mud about, but when the hon. member stands up and can make assertions which are contradicted by the Minutes of a Board of which he is a member, I tell him that, regardless of the frequency of these attacks, nobody in this country, and particularly in the Province of Quebec, will heed them, and under such circumstances they will take such remarks for what they are worth. Our people will know now what the statements of the member for Rouville are worth.

We have been told by the hon. member for Halifax (Mr. Maclean) that it is true the Minutes of the Treasury Board declared that that Board has expressed no opinion. The hon. member—who, I understand, is a lawyer of great experience, and has been Attorney General of his province—while admitting that the Minutes of the Treasury Board make a certain statement, says that in Ottawa it was a matter of notoriety that this application was to be re-

fused by the Treasury Board. Surely my hon. friend did not wish to go as far as that. Were I to attempt to follow him in the matter of public notoriety, I would tell him that it was a matter of common notoriety that this certificate of the International Bank was not issued by the late Government because Sir Rodolphe Forget was a Conservative candidate in two counties of the province of Quebec. Has anything been suggested as a good and valid reason for the refusal of that certificate? Nothing! Can it be suggested that the pooling agreement referred to by the hon. member for Rouville was a reason for refusing the certificate or license? Let us take the argument as made by that hon. gentleman. A certain number of shareholders in the bank entered into an agreement that they would not dispose of their holdings or stock except on certain conditions. Was that a bargain entered into between the bank and the shareholders? No; it was a bargain entered into between Sir Rodolphe Forget and some of the shareholders. These people subscribed for the whole amount of their holdings; could they tell the Board of the International Bank that they refused to pay the amount of their subscriptions, because, forsooth, they had a private bargain with Sir Rodolphe Forget?

Sir WILFRID LAURIER: That is not the point.

Mr. PELLETIER: We have been told by the hon. member for Rouville that this pooling arrangement was one of the reasons why the certificates should not have been issued, and I am following up that argument. If the matter had been investigated as suggested by the hon. member for Rouville it would have been found that those men were quite able to pay the amount of stock for which they had subscribed, and therefore the fact that a private understanding existed between Sir Rodolphe Forget and some of the shareholders was no reason for the refusal by the Government of a license or certificate.

Sir WILFRID LAURIER: That is not the point at all.

Mr. PELLETIER: I know my right hon. friend did not make that point, but it was referred to by the hon. member for Rouville, and I am answering it.

Sir WILFRID LAURIER: The point made by my hon. friend was not that the pooling agreement made by the president of the bank with the Canadian shareholders had a legal effect, but that an agreement of that kind should debar the bank from obtaining its certificate.

Mr. PELLETIER: It has been suggested that this should have been inquired into by the Treasury Board before issue of the license.

Sir WILFRID LAURIER: I did not say that, the suggestion is that it should be inquired into now.

Mr. PELLETIER: What for?

Sir WILFRID LAURIER: Does my hon. friend approve of such practices as that, that the president of the bank should make an agreement behind the back of some of his shareholders?

Mr. PELLETIER: I do not say I do, but hon. gentlemen are trying to make the point that this certificate should not have been issued, and to establish that point certain reasons are given, certain lines of argument are adopted and amongst them I find this one which I am happy to say the right hon. leader of the Opposition now says is not one of the reasons why a certificate should be refused.

Sir WILFRID LAURIER: That reason which my hon. friend says could not be urged because it had no legal effect against the bank, but that is not the argument of my hon. friend (Mr. Lemieux).

Mr. PELLETIER: The hon. member for Rouville said the Minister of Finance should have inquired about the pooling agreement. It is suggested by one of the followers of the right hon. gentleman that an inquiry on that point should have been made.

Sir WILFRID LAURIER: The agreement should have been looked into, not because it was illegal against the bank, not because it would have affected the bank, but because it was a discrimination between shareholder and shareholder and should not have been allowed, especially to the president of the bank.

Mr. PELLETIER: Surely my hon. friend will agree that this matter which is known now was not even suggested at that time. How was it made known? By the papers which the hon. member for Rouville has quoted. Some Liberal papers in Quebec have made a good deal of it.

Mr. LEMIEUX: It was public long before that.

Mr. PELLETIER: But long after the certificate was issued. It is an absolutely safe and sure conclusion to say that this pooling agreement was no reason why this agreement should have been refused. If the certificate was all right in that respect I should like to hear from the leader of the Opposition his reason why the certificate should not have been issued.

Sir WILFRID LAURIER: I am quite sure if this pooling agreement had been brought to the attention of the Minister of Finance he would have said to Sir Rodolphe Forget: You will bring it to the attention of all your shareholders, the French as well as the Canadians.

Mr. PELLETIER: That is not an answer, it is admitted now that this pooling agreement was not known at the time.

Mr. LEMIEUX: It was notorious.

Mr. PELLETIER: It was not notorious at that time. How could it be known? At all events we have the admission here that the matter could not have been investigated then. If it could not have been investigated what reason is suggested in that respect that a certificate should not have been issued before this matter was investigated? The two things do not go together. I discard that when everybody seems to admit that this is no valid reason for an investigation, and when further it is admitted that even if that pooling agreement existed it was no reason to refuse the certificate because the men who had formed the pooling agreement were responsible all the same toward the bank for the amount subscribed.

Sir WILFRID LAURIER: I assert that if it was known the certificate should not have been issued until it was brought to the knowledge of the shareholders.

Mr. PELLETIER: The shareholders in France as well as in Canada had an underwriting signed by Sir Rodolphe Forget to the same effect and that is one of the reasons they objected. My hon. friend must know that, it has been alluded to in the courts in Montreal that there was such an agreement.

Mr. LEMIEUX: In what case?

Mr. PELLETIER: In the injunction suit before Mr. Justice Lafontaine. My hon. friend knows that when the meeting took place in Montreal an injunction was taken in order to prevent the proceedings which they complained of and the judge before whom it was argued refused the injunction. One of the reasons which was alleged in that respect was that there had been a second call made for something of that kind, and the shareholders said a second should not have been made because an undertaking had been given that there would be no second call. Is that not equivalent of the poooling agreement entered into in Quebec?

Mr. LEMIEUX: Does my hon. friend approve of the organization of a bank where no second call should be made?

Mr. PELLETIER: I am not here to approve or disapprove of what the shareholders of the Banque Internationale did, but to discuss whether the hon. member for Rouville (Mr. Lemieux) is right in saying that this Government is right or wrong in having issued a certificate to the Banque Internationale. We are told that there was a most unfortunate state of affairs, that these people in France have lost money on account of that and there should be an investigation. When the hon. member for Rouville brings out this matter of the two $100,000 notes in connection with the issuing of the certificate of the banque, he is mixing up matters, not because he is mixed up himself, but because he wants to mix them up for the public at large. These notes were not discounted before the certificates was issued by the Government, the bank was not organized before the license was issued, and the notes of D'Aoust were only discounted by Bird after the issue of the certificate by the Treasury Board. Why is that brought up here? We are told it was an ugly, bad transaction. Are we here to sit in appeal of the judgment of Judge Leet in this matter? It may be right or wrong, but surely after a judge appointed by the political friends in Quebec of my hon. friend on the other side of the House has rendered judgment, we are not called to sit in appeal of that judgment. There are other means of taking that judgment to appeal than to come to this House. I regret very much the unfortunate position of the International bank and its shareholders, but it is entirely due to the fact of this most unfortunate misunderstanding, I do not want to pass judgment upon it, which took place at the meeting of the shareholders. My hon. friend and the junior member for Halifax (Mr. Maclean) have said that this was a most discreditable proceeding, to ignore the votes of the majority of the stockholders of the bank. I take issue with my hon. friend on that, not to disagree with him on the principle he has laid down but to tell him that this matter is before the courts, that the fact that those proxies have been eliminated is the subject matter of a trial before the Superior Court of Montreal, and that it is not for us to pass judgment on this before it has been adjudicated in the proper place. I was sorry, I do not hesitate to say, to see all this misunderstanding which has caused all the bad results which we have before us to-day. It is not the issuing of the license or certificate by the Government which has been the cause of this trouble, it is the trouble between the shareholders themselves and their unfortunate quarrel which resulted in this bank becoming, to a certain extent, discredited and the people not having much confidence in it. Well, Sir, this bank would have been one of the most successful banks in this country, starting, as it did, with $10,000,000 at its back, if this unfortunate occurrence had not taken place.

An hon. MEMBER : Whose fault was it?

Mr. PELLETIER : I do not know, but I think the members of this House ought to be very cautious about passing condemnation in a matter of this kind before they have all the facts before them. What the members of this House say goes broadcast throughout the country, and it is taken for granted that this, that, or the other thing is very crooked because members of Parliament say so. I think it is a most unfair way of dealing with a matter which is before the public courts of this country for investigation. We have been asked, why do you not investigate this ? Investigate what, Sir ? Investigate the fact that the Paris people have lost money ? It is true that they have lost money, but why ? Is it because the bank is bankrupt that they have been obliged to accept so much on the dollar for their investment ? No, Sir. On account of this unfortunate trouble, they have chosen of their own volition, to sell their holdings at a price which they thought fit and proper to accept. They have said: ' We have only paid 10 per cent, and they are willing to lose 5 per cent of it rather than face lawsuits.

Mr. LEMIEUX : I understand they have accepted twelve dollars out of fifty.

Mr. PELLETIER: They accepted exactly 50 per cent of the amount they paid in, and it was a very small amount that they paid in. I sincerely regret for the credit of Canada, and for the French money which is pouring into this country for our great benefit, that this unfortunate occurrence has taken place. I shall not pass judgment on it, but I claim that no member of this House, be his position as high as that which the right hon. leader of the Opposition occupies, has the right to tell this House that the matter should be investigated when there is nothing to investigate, and when we know that those French people, acting as they thought best in their own interests, have chosen to sell their holdings. If we held an investigation, what would be the result ? We would find, not that those people had lost money on account of the depreciation of the assets or of the standing of the bank, but that they had sold their holdings at the price which they saw fit to accept, and that they are perfectly satisfied to be out of it rather than face the litigation in sight. That is the whole matter, and are we to be made responsible for that ? Surely the right hon. the leader of the Opposition will not suggest that. Is it our fault that this trouble has arisen between the shareholders and the bank in connection with the appointment of the directorate, that proxies have been set to one side, or that the majority were told that a certain board should be elected. The bank has suffered in consequence of this difficulty, but surely, Mr. Speaker, public credulity has a limit somewhere, and the people draw the line somewhere. In the circumstances, I do not see that there is anything to do other than to suggest to my hon. friend the member for Rouville that he try to find a fourth chapter when he might perhaps succeed better than he has done in the three with which he has dealt to-day.

Mr. J. A. SEVIGNY (Dorchester): (Translation.) Mr. Speaker, this is my second session in this House. I have witnessed some bitter, and at times exceedingly bitter, discussions, and in every case, Sir, I noticed that the subject matter of the debate was the province of Quebec and the political men hailing from that province. I noticed also, to my regret, I must say, that every one of these discussions had been started by the hon. member for Rouville (Mr. Lemieux). That is his own business, and I have no advice to tender him; but, in my humble opinion, it seems to me he is doing very poor work for his province and his fellow people, by thus continually showing them up before the representatives of the Dominion.

As all other hon. gentlemen in this House, I have seen the beginnings of the International Bank of Canada. They were very promising indeed. Branches were opened in the leading towns of the province of Quebec. The head office, as we know, is in Montreal, where there are several very prosperous branch offices; similar branches have been started in the cities of Quebec, Three Rivers, Sherbrooke, and elsewhere. I understand that in all these places the bank was doing a very good business.

The certificate allowing the bank to open its doors was granted in November, 1911, I understand. Parliament has been in session once already in the meantime, and during that session it never occurred to the hon. member for Rouville that he should attack the Government for having granted a license to that bank, whose business was in a most prosperous condition. But there was a man who was very successful in the province of Quebec, not only in business, but also in politics. One of the great victories won in the province of Quebec during the last election, was the return of Sir Rodolphe Forget in both counties of Charlevoix and Montmorency, in Montmorency especially, where Sir Rodolphe had to contend with the allied forces of the Transcontinental, the Dominion Government, the Provincial Government and the Quebec city council. Now, against all these forces combined, he succeeded in capturing the county of Montmorency as well as that of Charlevoix. Heretofore Mr. Forget had

been a great factor in the business world, and now it seemed as if he would loom up large in the political arena. It was thought desirable to run him down.

Fire was opened in Paris, under instructions forwarded from Canada. I do not wish to suggest that the hon. member for Rouville was one of those who sent out word to start the onslaught. Sir Rodolphe Forget was attacked in the first place because he was a tower of strength in Canadian politics, and the Liberals were averse to the idea of allowing a man of his parts to reach the top, and that is why unrelenting war was waged on him. He was blamed in connection with the Banque Internationale because a report, it appears, was made to the Government which, according to the member for Rouville and those who are of his opinion, is not in compliance with the regulations.

The hon. member for Rouville stated this afternoon that he had not mentioned Mr. Forget's name. That is so. But it would have been better if he had done so, it would have been fairer. He referred to a report which was made to the Government by Mr. Bird and other directors. And Mr. Justice Leet says in his judgment: I would have been justified in issuing a writ against the general manager and directors who signed this report.

Let us speak out openly. The truth of the matter is that when this report was made, Sir Rodolphe was away in Europe. So he could not sign it. That report was signed by the vice-president of the bank, Mr. Robert Bickerdike, member for the St. Lawrence division, of Montreal. I am not trying to insinuate anything against Mr. Bickerdike, far from it, he is entitled to the greatest respect from all, and no one is more willing than I am to testify to it.

There are other prominent political men connected with this bank, among others the Hon. Sir George Garneau, the friend of the right hon. the leader of the Opposition.

Sir WILFRID LAURIER: (Translation.) He was not informed of what was going on.

Mr. LEMIEUX: (Translation.) And he protested in consequence.

Mr. SEVIGNY: (Translation.) What would you think, Mr. Speaker, of the director of a ten million dollar bank who would state that he was unaware of what was going on at the meetings of the board of directors? I must say that the right hon. leader of the Opposition has of his friend, Mr. Garneau, a less favourable opinion than I entertain myself. I for one consider Messrs. Bickerdike and Garneau as highly honourable men.

Neither do I wish to make any insinuations against those who have had to do with the management of the Quebec electric railway and the Quebec and Saguenay railway. There are among them men for whom I have great respect, such as Senator Casgrain, a political friend of the hon. member for Rouville, the Hon. Mr. Dubord, member of the Quebec Legislative Assembly, and Senator McKay, all of them sturdy Liberals. Are we to say that all those gentlemen are dishonest men? Are we by means of insinuations to heap discredit on those gentlemen? I for one shall not do so. I will leave that to the hon. member for Rouville to do.

The hon. member for Rouville sheds tears on the misfortunes of the Frenchmen who, he says, lost $580,000 in the Banque Internationale. And he stated this afternoon that the French are the bankers of bankers; that is a fact, but had one of those bankers listened to the speech delivered by the hon. gentleman this afternoon, would he not have been tempted to say, and rightly so: The member for Rouville has a very poor opinion of the business ability of the French.

Are we to suppose, Mr. Speaker, that these gentlemen, before making up their minds to invest money in Canada, did not seek information in regard to investments and the standing of the promoters.

As stated a moment ago by the hon. Postmaster General, if losses have occurred, that is owing entirely to the fact that the Frenchmen who have invested money in that bank would not respond to a second call.

They had been assured that everything would turn out well, and that assurance was given in good faith. The same thing occurred to me; having invested some money in business ventures, after being told that I would not be called upon to pay up more than 10 per cent, I had later on to pay 20, 30 and even as much as 50 per cent. So it is with all who take such a risk, whether they hail from Paris or anywhere else. When those French shareholders were called upon to resume paying up, they refused. That was their business, but it should not be made a matter of reproof for the Government or the bank's president, Mr. Forget. That is unfair.

It seems to me, as stated a moment ago by the hon. Postmaster General, that the province of Quebec would not fare any worse if the practice was given up, in this House at least, of ventilating our petty squabbles before the representatives of the people.

The hon. member for Rouville may smile at that, but we never see our fellow citizens who speak another language, whether on the Opposition or on the Government benches, indulge in personalities as we do. It seems to me that we would be the gainers by following their example. The hon. member is free to follow his own inspira-

tion, but if a warfare of insinuations is decided upon, that may lead us pretty far. That puts me in mind of what occurred three years ago, in connection with a bank undertaking also, in which not French capitalists, but labourers, widows and many poor people lost their savings, the result of much privation. I refer to the failure of the Charing Cross Bank, in London. That was a sensational occurrence in Canada. The hon. member for Rouville knows that he has not been spared in the province of Quebec; he has been attacked oftener than was to be expected.

Mr. LEMIEUX: (Translation.) Hear, hear.

Mr. SEVIGNY: (Translation.) I am glad to say that I was not one of those who attacked him; I was unable to indulge in treacherous insinuations such as those he levelled at me when I interrupted him in this House last week. But here is what happened in connetcion with the facts I have just recalled. While the failure of the famous Charing Cross Bank was being discussed, an old-time opponent of the hon. member for Rouville suggested in my presence to start a campaign of insinuations against that hon. member in connection with that failure.

Mr. LEMIEUX: (Translation.) That did not prevent them from doing so.

Mr. SEVIGNY: (Translation.) I am glad to say that on that occasion I helped with whatever influence I had in preventing that campaign from being carried on. On the grounds pointed out a moment ago, I wonder why we should ventilate our mutual grievances in such manner, especially when there is no direct proof of wrong-doing. However, should that campaign of insinuations be persisted in, I believe the hon. member for Rouville would be the one to suffer the most.

Voltaire has said: 'Lie on persistently, there will always be found some one to believe you.' He was right. Mudslinging will inevitably soil the clothes of the victim. I do not propose reviling the member for Rouville who is a talented French Canadian; but if he has made up his mind to carry on a warfare of insinuations against Sir Rodolphe Forget, the hon. Postmaster General and the member for Dorchester, we are able to meet him on that ground, but the province of Quebec will suffer thereby, and the member for Rouville as well.

I was anxious to make these few remarks in connection with that matter of the Banque Nationale. I was glad to do so, because I believed I was at the same time vindicating the good name of a fellow countryman who has distinguished himself in the province of Quebec, and who it will not be possible to replace neither by the hon. member for Rouville, neither by the humble member for Dorchester. He is a leading French Canadian. His ventures may not all have been successful, but on the whole, if we consider all that the hon. member for Charlevoix has done in the province of Quebec, we realize that he can bear this testimony to himself: 'I feel proud when I compare myself with those who hurl insults at me.' He has been a benefactor of this country, of his fellow people, and men such as those I am always willing to defend.

Mr. D. D. McKENZIE (North Cape Breton): Mr. Speaker, there has been a great deal said on both sides of the House on this question and there has been a great deal of warmth, of temperament, shown by the right hon. the Prime Minister (Mr. Borden) by the hon. the Minister of Finance (Mr. White) and by the hon. the Postmaster General (Mr. Pelletier). I do not think that, upon this question, there should be any display of warmth whatever. This question requires fair and honest inquiry and the fullest investigation that the House and the country can afford. Corporations of this character, holding the very large powers which banks do hold and which are given to them by this Parliament, must always be the creatures of this Parliament and when any hon. member asks that an inquiry be made into the conduct of any bank which appears to be inconsistent with the great powers which have been conferred upon the institution, it must not be supposed that he is doing so from any sinister motive or indeed from any motive whatever except a proper one. The unfortunate thing in this case is that a certificate to do business as a bank has been given to a certain institution in the province of Quebec and it is perfectly evident that the bank is not doing business in a proper way, that its finances are in a very unsafe and unsatisfactory condition, that honest, capable business men who have paid $12.50 for shares in this bank, are to-day tumbling over each other to get clear of these shares at $5. We were told by the hon. the Postmaster General that this is only a repetition of something like Majuba Hill, that there was a panic, that these French gentlemen lost their heads, that they do not understand the situation, that they are scared. I understood him to say that this bank is in a first-class condition, that it is doing business in the ordinary way, that everything is all right and that these Frenchmen who have been struck with this panic and who are selling their stock are mistaken.

Mr. PELLETIER: What I did say was that the bank was flourishing and all right

before the unfortunate difficulty between the shareholders and directors.

Mr. McKENZIE: I, to some extent, misunderstood the hon. gentleman. I thought he had reference to this trouble and the matter being brought up in the House today or the notice of motion being given.

Mr. PELLETIER: No.

Mr. McKENZIE: At all events, the Government are responsible—I do not say wrongfully or criminally responsible—for the launching upon the financial world of this business institution. They are responsible for whether or not it was in proper shape to have received the credentials which they gave it. It turns out that it was not, that there was something wrong, that there must have been something wrong, that there must have been something concealed which they did not discover and which they say they have not discovered yet. We have had the Minister of Finance, the Prime Minister and the Postmaster General storming the citadel in order to try and prevent an inquiry to discover what is wrong with this institution. Why should it not be brought to light? It was said in this House last year that there was something wrong with the Farmers' Bank which should have been discovered. It has not yet been discovered but I hope that if there is anything wrong it will be discovered. We should profit by experience and we have had the experience of the Farmers' Bank. But all the experience of that bank, all the fault finding in connection with the unfortunate failure of that institution was not enough to teach the incoming Government that there was something the matter with the application that was before them, for I am told that within three days of their coming into office they granted a certificate. That statement was made by my hon. friend from Halifax (Mr. Maclean) and it was not contradicted. I take it therefore, that within three days after this Government took office they granted the certificate. The document that was read as the minutes of the last sitting of the Treasury Board of the outgoing Government suggests upon the face of it that there were serious matters being investigated and they left these serious matters to the incoming Government. I think the Government should court the opportunity of presenting to this House and Parliament evidence to show that during those three days before they granted the certificate they went fully into every possible circumstance that to the ordinary mind could suggest itself, that they found everything all right and that upon finding everything all right they granted a certificate. If there is nothing to conceal they should court inquiry. If they simply took the documents on their face as they found them and granted the certificate without further inquiry I do not think the Government did their whole duty and if something turns out to be wrong to-day they must take the responsibility.

I was rather surprised to hear my hon. friend the Prime Minister waxing eloquent about criminal investigations that took place in Quebec. The Prime Minister may be excused for waxing eloquent although he is improperly informed on the bank question. He knows a good deal more about banking than I do for I understand he has been a director of a bank, which is one of the most respectable financial institutions of this country, but I can readily understand him being mistaken about the details of the banking business and the intricacies that surround it.

Mr. BORDEN: I beg to correct the hon. gentleman; I am not a director of a bank.

Mr. McKENZIE: Has been.

Mr. BORDEN: Yes.

Mr. McKENZIE: I am not saying that the right hon. gentleman is a has been in every other respect, but he has been that.

Mr. BORDEN: Has been in that respect —yes.

Mr. McKENZIE: But I was saying that I will not and cannot excuse my right hon. friend when he waxes eloquent upon a question of law, and causes the House to believe that a matter is being tried in a court of law, that the record is before us, the decision is given, the thing is conclusive, and that is the end of it and that we are not in a position to review the decision of the High Court of Justice which dealt with this matter. That, coming from a distinguished lawyer like the Prime Minister, will be received in Nova Scotia, or wherever his capacity as a lawyer is known, but it may be a surprise to some to know that this thing was never before a court at all. Does my hon. friend know of any criminal case ever having been disposed of without some process being issued? Where thieves have been brought before a court, where theft of a very serious character was charged, does my hon. friend know of any case where proceedings were instituted and that charge tried, and a final tribunal of the country passed upon it without a scratch of a pen on any paper in regard to it? I never heard of it. That is the case. This man, Mr. Leet, is paraded to this country as a judge. He is not a judge; he is an ordinary J. P. or police magistrate; that is all he is. He is not any judge of a high court of record of the province of Quebec; he is a police magistrate, a J. P. as we understand it in Nova Scotia. The Prime Minister will readily understand what would

be the force of his argument anywhere on a hustings in Nova Scotia if he were to tell the people that some magistrate in the province failed to send a man up for trial, against whom there was a serious charge. He would be simply laughed at. If one magistrate would not do it, he could go before another magistrate; there is no finality at all about that. That is all this thing is. And we are told forsooth that in connection with this very serious crime involving fraud in connection with millions of money, involving fraud that is not only dealing hard and serious at the heart of the finance of our own country, but dealing hard and serious, and criminally I may say, at the heart of our reputation in a foreign country; we are told that a magistrate, an ordinary magistrate, can refuse to issue proceedings and simply say: well, I am rather of opinion that a jury would not find this man guilty if I sent him up. That is not his business. If he finds there is something to try all he has to do is to send the man for trial. That magistrate could not hear the other side at all.

Mr. PELLETIER: Oh, yes, the Criminal Code provides for that.

Mr. McKENZIE: The same Criminal Code is in vogue in the province of Quebec as in Nova Scotia and elsewhere in Canada, and this is an indictable offence, and the other side cannot be heard before the magistrate.

Mr. PELLETIER: Oh yes.

Mr. McKENZIE: Not at all.

Mr. PELLETIER: That is bad law.

Mr. McKENZIE: The other side can be heard but if a case is made out against the accused, he cannot be tried before the magistrate. I stand by that and I submit to the Prime Minister that the law is that a magistrate cannot try the case and that the moment it is shown to him there is something to try he has to send it up to be tried by the proper tribunal. This man says in his judgment: I would be perfectly justified in issuing a warrant; there was plenty shown before me on which to issue a warrant. If that was the case it was his bounden duty to have issued the warrant, to bring this man before him and to deal with him as the criminal law directs and send him up to be tried. I submit to you, Mr. Speaker, that without issuing a warrant, and without this man Bird being in some shape before him, the magistrate had no jurisdiction whatever, not a particle of jurisdiction; I submit that he was never seized of jurisdiction over the crime or over this man; that the investigation was a mere farce, and that it does not lie in the mouth of so responsible a personage as the Premier of this country to tell the Canadian people that the accusation was fully investigated and the party discharged. That is what the people of this country are asked to believe when the party was never put in custody; when he was never put in a position where he was subject to be tried; when the magistrate had no control or jurisdiction over him whatever. In face of this we are told by high authorities in this House that there shall be no more investigation, that the thing has been already inquired into, and that there is to be not another word about it. The people of the French republic who are noted for their ideas of fair play and justice and thorough investigation, will not have a very high opinion of this Government, and this Parliament, and this country, when they will be told that there was a hole and corner investigation, that a few bank officials were interested in this matter and wanted it hushed, and that the Government of this country accept that as a full and final investigation of the whole business. I submit that it was no investigation at all. I submit there are a series of irregularities about this matter; that there is something rotten, because the people are losing their money and there is a fraudulent transaction admitted in connection with returns to the Government, and yet no one is held responsible. Surely if there was nothing else but that fraudulent return to the Government, in view of the burning of hands a government had in connection with this matter before, and the burnings and difficulties and trials that the poor people who invested in this institution had, that is a sufficient demand why this should now be fully investigated and the people given to understand that whatever the Government can do to clean up matters of this kind will be done. The money institutions of this country should be given to understand that they have no shelter to expect from the Government, unless the franchises which are given to them by the laws of the country are fully lived up to by honest dealings and honest transactions. I submit that the inquiry before this magistrate is worse than if there was no inquiry at all. It is a mere farce and the thing stands just exactly as it stood before that quasi inquiry took place. I make these observations so that, as far as they go, they will show the people of the country that I do not agree with the eloquent appeal made by the Prime Minister in support of this magisterial investigation when it really is not deserving of any support from him or any gentleman who understands the procedure in criminal cases in this country.

Mr. PAUL E. LAMARCHE (Nicolet): I feel somewhat embarrassed in defining

what a judge is, speaking as I do after my hon. friend from North Cape Breton (Mr. McKenzie), who has had the honour of sitting on the bench long enough to know what definition to apply to a judge. Nevertheless, in the province of Quebec as well as in every other province of the Dominion of Canada where the Criminal Code applies, a judge is a man who has the power to hear and determine charges in criminal cases and the right to impose a penalty and send a man whom he finds guilty to prison. There is no trouble in finding in the Criminal Code a provision that there are certain offences which can be brought before two justices of the peace, and the Criminal Code also says that a magistrate in the province of Quebec has the same power as two justices of the peace, and that the offence to which my hon. friend has alluded can be brought before two justices of the peace, can be investigated by them, and if the accused chooses to be tried by these two justices and is found guilty, they can send him to jail. It is also provided in the Criminal Code that if the accused does not elect to be tried before two justices of the peace or a magistrate having the powers of two justices of the peace, it is the duty of that magistrate to send him to be tried by twelve of his peers. My hon. friend has judged the trial before Judge Leet with too much levity when he calls it a farce. I am not discussing now the time which elapsed between the laying of the complaint and the rendering of the judgments, for that is not within the scope of my present argument. What we can learn from the records is that the case has been laid before Judge Leet, who has full powers to investigate it; that Judge Leet, before issuing a writ, has brought before him all such witnesses as could enlighten him on this question; and after examining more witnesses than would be examined in ordinary cases, he has decided that there can be no trial because there can be no accused, and therefore there can be no signing of any warrants. He has so decided, not only upon the testimony of an ordinary person, but after calling before him Mr. Knight, secretary of the Bankers' Association of Canada. After Judge Leet had put before that witness all the circumstances of the case and asked him whether these facts came under the offence laid down in the complaint or not, Mr. Knight answered, and I think he is the best authority in the case, that the procedure did not differ from that of any other banking institution. I conclude, therefore, either that Mr. Knight does not know his business, and I do not want to pass such a judgment on a man who has been appointed by the best bankers and the best financial men in this country, or that all the other banking institutions are similar to the Banque Internationale, and in the opinion of my hon. friend should send all their directors to jail. Although my hon. friend has been on the bench for a certain time, I think that Mr. Knight, who enjoys the confidence of all the financial people of this country, knows perhaps enough about banking to give an opinion upon which a competent magistrate—if you do not allow me to call him a judge—like Mr. Leet could render a decision. If Judge Leet is not competent, there are means in our precedure to go to another tribunal. The judgment has been: 'There is no criminal offence. Therefore, according to my duty laid down in the Criminal Code, I do not think I am justified in signing the writ.' Judge Leet had no right to send an accused to a jury where he was satisfied that there were no grounds for any indictable offence. My hon. friend has also gone pretty far in saying that the Government, only three days after they assumed office, had no right to issue a certificate to the Banque Internationale of Canada. Does my hon. friend contend that the Government had power only after two or three weeks or that they had power the day after ?

Mr. McKENZIE : My hon. friend is mistaken; I did not say that.

Mr. LAMARCHE : I think my hon. friend's words are these: 'only three days after they were in office, they have issued a license without going into the matter any further.' If I am not correct, my contention is subject to my hon. friend's correction.

Mr. McKENZIE: What I said was that they could not make very much inquiry within three days, which was the only time at their disposal. I did not say they had not any power to do it at all.

Mr. LAMARCHE: I will point out that the preceding Government had deliberated upon the question for some months. Perhaps that was why the present Government could make the decision, with the aid of the officers in the department, within three days. My hon. friends were about to give that license if they had stayed in power any longer. My hon. friend says that the Government is responsible for any faults of an institution which goes beyond its powers. I shall not join issue with him on that point; but I think that the powers of a bank lie in its charter and in the Banking Act. All Acts which are not prohibited either by its charter or by the Banking Act are allowed provided they are not against the law of the land. In the latter case the procedure is pointed out either in the Banking Act, the Criminal Law or the Civil Law of the province. My hon. friend knows that very well. My hon. friend from Rouville (Mr. Lemieux), who seems to know from

the first to last the story of the banking institutions, in which I discovered many of his political friends are interested, could to-day, if he wished, lay a complaint before any of the courts of justice of the province of Quebec. I am not here to defend anybody; I am not here to defend Sir Rodolphe Forget; he can defend himself, and he is well able to do it; I am not here to defend the Banque Internationale, because I have no interest in that bank at all; I am not here to defend the French shareholders; if they consented to sell their stock below par, it is their own fault; but I speak because the state of the bank is held to be due to some political schemes, which would have put the Bank of Montreal or any other institution in the same state. A bank is like Caesar's wife; it must be above suspicion, no matter what its capitalization is If in any paper, no matter whether it is small or big, you should to-day insert news that some theft, some larcency has been committed by the directors or the higher officials of the institution, I say that by tomorrow that bank will go under, that there will be a run on the bank unless the bank is one of the strongest institutions in Canada, even perhaps without exception that bank will go bankrupt. Therefore in a few days we will have in a measure to say: surely by some political scheme, helped by the Liberal party, the Banque Internationale was put in suspicion, first the depositors and then the shareholders, and especially those who are in foreign lands, put their cases in the hands of some attorneys who make some investigation and the trouble came along; they went into litigation and after all they said the best thing to do was to get what they could sell the stock at. The old shareholders or some other financial people of courage bought in their stock for what they had paid for it, which is wellknown; and to-day the bank is not bankrupt at all, and is about to merge with another institution which is far from being in a state of bankruptcy. I think our only duty is to see whether the public is safeguarded or not. I say the public is safeguarded by the reports that we have seen, by what the reports that are before us, by what we have seen even in the reports of the judicial trial, criminal or civil in the province of Quebec in Montreal. If there has been trouble between the directors, the shareholders, and the officers, it is not because that bank is to be merged; it is not because a certificate has been issued that trouble arose, and that such rights as were possessed by shareholders, directors or officers were lost. These people will always have their recourse, under British rule, before the tribunals of the land, either criminal or civil. We have to look at this matter in a public spirit, and to discontinue frightening the people, rather endeavouring to help these institutions no matter whether they have been Liberal or Conservative; no matter whether they are friends or enemies of the hon. member for Rouville. If an unjust request is made, it is our duty to refuse it; if it is just and within our scope, it is our duty to grant it. When we view this matter in a light free from those political difficulties which have had their sources not in the formation or promotion of the institution, but from political questions evolved years before the bank was ever thought of, it will be our duty to give to the people what is their due—an appeal to the tribunals competent to give justice to whom justice is due.

Mr. LEMIEUX: I do not wish to detain the House at any greater length after the elaborate debate which has taken place on this motion. I desire to say, however, that I resent the very strong language used this evening by my hon. friend the Minister of Finance when he stated that I had made reckless statements in my presentation of the case. I have made no reckless statements; I have spoken the truth, the whole truth and nothing but the truth. I have stated that the provisional directors of this bank approached the late Administration with a view to obtaining their certificate, and that their request was refused. Let me say that I never had in my mind by that statement the thought of any political interference. I have stated this afternoon and this evening that I did not for one single moment question the good faith of my hon. friend the Minister of Finance in the granting of that certificate after the resignation of the late Administration; I stated most positively that I considered the hon. gentleman was acting in good faith in the matter. I simply related the history of the negotiations between the directors and the Government, stating that after the ate Administration had refused to issue the license—an assertion which I repeat —my hon. friends should, perhaps, have been more careful in considering the issuing of the certificate. It is possible that the English word 'refuse' does not convey the exact meaning I had in my mind. The application was made in July; the late Administration resigned in October, and, from July until the period of the election, we were asked persistently, I should say daily, by the provisional directors to issue the certificate, but we persistently and I should say daily, refused to grant it. My hon. friend should not quibble in the discussion of such a serious question as to this; he is too distinguished a lawyer, and besides he occupies in this House and this country too high and exalted a position to do so. I say the meaning I contended to convey was that the late Ad-

ministration had refused to grant the certificate, and I will go further. My hon. friend is daily in contact with the officers of his department; let him grant an investigation when this question comes up later—for it will come up—and I make bold to say that the officers of his department will swear that the Treasury Board under the late Administration refused to grant the certificate. As my hon. friend the Prime Minister knows, it is a very delicate and serious matter to say nay to the requests of provisional directors, but it lies within the power of the Treasury Board to do so. These people were refused from time to time, until after the elections, still persisting on their requests, they were finally told by the Hon. Mr. Fielding what my hon. friend read this evening from the minutes of the Treasury Board. I was there Mr. Speaker, and I know whereof I speak. I did not give out any secrets when I stated this evening we had refused to grant that license. My hon. friend then granted the application, and I do not blame him for that; I would rather blame others not far from him who knew it was notorious at the time that the pooling agreement was in existence, discriminating as between the groups of Canadian and French shareholders. It was notorious at the time. Also it was very well known, by myself at least, that Mr. D'Aoust, who was a shareholder to the extent of $2,000,000 had been stopped by myself in Montreal from running a lottery. I certainly could use my judgment as a member of the Treasury Board and state that I had too grave doubts as to the financial substance of this gentleman to grant him a license. I repeat that I resent the remarks which were made by the hon. gentleman this afternoon. Does he believe, forsooth, that I am doing this for pleasure, that I am enjoying the sad duty of telling the House of the unfortunate circumstances in which this bank and the foreign shareholders find themselves today? I am harbouring no hatred, I have named no one, I am discharging a public duty, nothing less and nothing more, and I fail to understand the warmth of my right hon. friend (Mr. Borden), or of my friend the Minister of Finance in discussing this matter. They seem to think that this is a political question as between Liberals and Conservatives. As the right hon. gentleman stated a moment ago, there are shareholders in this bank on both sides of the House and therefore it is not a political question, and to give my hon. friend a plain and unvarnished statement as to my own position in the case, I am far from being interested in bringing this matter before the public. Names have been given, the name of the hon. member for Pictou, the name of the hon. member for Centre Toronto, and that of my dear friend from the St. Lawrence division of Montreal.

Looking over the list of Canadian shareholders I find the name of my own law partner in Montreal for a $10,000 subscription. Therefore, perhaps it would better serve my own personal interest if I said nothing. I care not, this is a public duty and I say to the hon. member for Nicolet, who has just spoken, that it is not a question of race or of province, it is not a question of personal friendship. The duty of the Government, the duty of Parliament is to see that justice is done not only towards our own people in Canada, but also towards the foreigners who have invested their money in such enterprises.

Mr. CODERRE: Do they complain?

Mr. LEMIEUX: They do, bitterly, and my friend the Secreary of State, who has ample time to read, will receive from me the complaints of the French shareholders as they have been published in the press there. I shall send the letters which the ight hon. gentleman has receeived and which I have received from French shareholders of La Banque Internationale. My friend need not go so far, let him read the Toronto Monetary Times, a paper of fifty years existence; let him read the last two or three numbers, before the judgment of Mr. Justice Leet and after it. But my hon. friend lives in Montreal; he surely reads the Montreal press. Let him read what has been said in papers friendly to the Government for months and months.

An hon. MEMBER: L'Action.

Mr. LEMIEUX: In L'Action articles nave been published week after week. I do not take L'Action as a standard paper, but I will take the statements published in a well-known paper of Quebec, Le Soleil, over the responsible signature of the editor-in chief, Mr. D'Hellencourt.

Mr. CODERRE: Is he a British subject?

Mr. LEMIEUX: I do not know.

Mr. CODERRE: A Liberal?

Mr. LEMIEUX: My hon. friend knows that L'Action is certainly not friendly to me. It was friendly to the Government during the last election, but I do not wish to obscure the issue with politics. There are Conservatives and Liberals losing thousands of dollars in this undertaking. Over the responsible signature of Mr. D'Hellencourt, for months, this whole question has been exposed. My hon. friend asks if he is a British subject. I do not know, I presume he is. He has been living in the country for twenty years, he has been in the West, he is known by the Minister of Public Works, I am quite sure. He is a respectable citizen and enjoys the confidence and respect of the public in Quebec.

Mr. PELLETIER: No, no.

Mr. LEMIEUX: He has been on many occasions the president of the Press Gallery in Quebec. However, I mean to say that the question has been discussed for months in Canada and in Europe. My hon. friend the Postmaster General stated that I had made personal attacks. I have named no one. He said I had brought this matter before the House in order to humiliate somebody. I do not wish to humiliate anyone but if somebody places himself in a humiliating position I am not responsible for it. I have named no one and I would be the last man to trample on my political foe. I have nothing against the hon. gentleman whose name has been mentioned this afternoon. My hon. friend has stated that I brought up these different matters this afternoon in order to humiliate him, let me tell him this: On the return of Sir Rodolphe Forget from France last spring or summer, I forget exactly the date, but perhaps my hon. friend from Dorchester (Mr. Sevigny) who accompanied him to France could tell me——

Mr. SEVIGNY: And Sir Rodolphe was very well received.

Mr. LEMIEUX: In what month did he come back?

Mr. SEVIGNY: The end of May.

Mr. LEMIEUX: I happened one day to be at a restaurant and Sir Rodolphe was at one table while I was at another with my law partner. One of his guests the former member for Berthier, who is also a shareholder in this bank, came to me and said, 'Sir Rodolphe is under the impression that you are the author of the articles which appeared against him in the Canadian press.' It was a most extraordinary statement because the paper which published those articles has been most bitter against me for many years. and all the campaign of vilification which, according to my hon. friend from Dorchester, had been carried on against me, really took place in the columns of that paper L'Action. When I received that information from the former member for Berthier, I went to my office and wrote the following:

Dear Sir Rodolphe,—I learned with regret that you are under the impression that I may be the author or the inspirer of the campaign which is now waged against you in France and in Canada. Let me assure you that neither directly nor indirectly am I the inspirer or the author of such a campaign. I have never practised blackmailing,——

I considered at the time that the articles against Sir Rodolphe were of a blackmailing nature—

—I have never practised blackmailing in my life and I shall not begin now.

Yours truly,

Rodolphe Lemieux.

That was the statement I made in writing to Sir Rodolphe Forget. He was under that impression. Who put him under that impression?

Mr. LAMARCHE: Did you convince him by your letter?

Mr. LEMIEUX: I might not convince my hon. friend, but others will be convinced when I give them my word of honour. I know my hon. friend is keen about this, but I may say that a day or two afterwards I met Sir Rodolphe and I said to him: 'I am surprised that you have not acknowledged receipt of my letter.' 'Well,' he said, 'I thought it was not necessary. You said it was not you. I am satisfied.' And he shook hands with me. I have met him several times since, and he has shaken hands with me. He never believed the story, but perhaps the same element which, according to the statement of my hon. friend from Dorchester was willing to start a campaign of lies and calumnies against me, may have persuaded him that I did not speak the truth. I do not believe he is under that impression to-day.

Mr. Speaker. I have no interest to serve but the public interest, and my hon. friend the Minister of Finance, and the right hon. the Prime Minister of Canada, know full well that public opinion will not stand for the explanations they gave this evening. At the time when the hon. gentleman, who is the keeper and guardian of our Dominion exchequer, is asking Parliament to revise the Bank Act, he knows perfectly well that public opinion will insist that that Act must stop such shady proceedings as characterized the affairs of the Banque Internationale. I put it to my hon. friend the Minister of Finance, will he for one minute countenance the discounting of a note in order to pay Mr. D'Aoust commission on the subscription of the stock of the bank? Will he countenance the entering in the returns made to the Government of such a transaction as a current loan when it is a direct liability? I say he will not, but if he should countenance such a transaction, the public, investors, depositors, and shareholders in Canada would protest. My hon. friend the Postmaster General said there had been litigations. Who started the litigations? it is most unfortunate that there have been litigations, but my hon. friend knows the old French lines:

Cet animal est méchant
Quand on l'attaque il se défend.

The Frenchmen came to Canada accompanied by Mr. Archibald, a brilliant young Canadian lawyer, the son of Mr. Justice Archibald. He has been teaching law at the university in Cairo, Egypt, and is now practising in Paris. They came to Canada with the proxies in their possession and on reaching the meeting where they wanted to rectify what had been done, they were simply ejected. Will my hon. friend the Minister of Finance say that men representing a majority of shareholders should be ejected from a regular meeting in that way? The Frenchmen resented that, they went to court, and if, after litigation following litigation, they accepted fifty cents on the dollar, they should not be branded, as they have been by my hon. friend from Nicolet, as practically the guilty parties, the artisans of their misfortunes.

Mr. LAMARCHE: I did not say that.

Mr. LEMIEUX: My hon. friend insinuated it, at least I inferred that from his remarks. I understood him to say that it was their own fault that they accepted fifty cents on the dollar. Why did they do so? They accepted fifty cents on the dollar on the same principle as a man accepts half a loaf if he cannot get the whole loaf.

Mr. LAMARCHE: I said that the fact that they had accepted that price did not take away from them the right to go before any tribunal in our province.

Mr. LEMIEUX: My hon. friend is too intelligent, and has too high a sense of his duty as a public man, to stand by such a statement. Does he say that it is a good reason to give to the French shareholders, who have gone to one court and have not succeeded, that other courts are open to them? It costs money to come from France to Canada. My hon. friend will remember that the French shareholders were not all subscribers to the extent of Mr. D'Aoust. There are widows and orphans and poor French officers pensioned and retired, who have placed their savings in the Banque Internationale. It is in the name of the widows, the orphans and the retired officers and soldiers that I am asking the hon. Minister of Finance to be careful before giving the Banque Internationale the right to merge with the Home Bank.

One more word and I am done with this question. My hon. friend from Dorchester stated that he was sorry that a member belonging to the province of Quebec should attack another member from the province of Quebec. He had in mind Saturn, devouring his own children, and he felt very sorry that such attacks should be waged against one of ourselves. I repeat that this is not a question of race, that it is not a question of nationality. Money has no nationality, money has no religion; it is purely and simply a question of duty. Sentiment is a sorry substitute for sound finance. It is not because La Banque Internationale has been organized in the province of Quebec that I, as a public man, will be deterred from doing my duty towards the shareholders in Canada and in France. If the same thing happened in the province of Ontario, Manitoba, Saskatchewan, Alberta or British Columbia, I would do my duty just the same.

When the Farmers' Bank case came before this House my hon. friend was not then a member. I remember that my friend, Mr. Fielding, the then Minister of Finance—and if there ever was an honest man in Canada it was William Stevens Fielding—was taken to task, was bitterly attacked; in fact, insinuations were made against his personal integrity, and, from platform to platform, from hustings to hustings, during the last campaign, his name was insidiously associated with those of Travers and Beattie Nesbitt. This is not a question of race, not a question of nationality. I remember that the hon. member for Algoma who was of the same nationality and probably of the same religion, though not of the same intellect, attacked him very bitterly during one whole afternoon in spite of the honest statement which had been made on the floor of this House by Mr. Fielding justifying his conduct in connection with the affair. No, it is not a question of race or province. Let not my hon. friend start in public life on the principle that because something wrong is done in his own province he must condone it. We belong to the minority in this Dominion and it seems to me that our first duty towards that province, towards its institutions, towards our own selves, is to prove that we know what honesty is, that we are ready to defend it and at the same time to stigmatize dishonesty when dishonesty is found to exist. My hon. friend the Minister of Finance says: 'Oh, but Sir Rodolphe Forget was not alone; he was chairman of the board, but the vice-president was Mr. Bickerdike, an honoured member of this House, and that one of the directors was Sir George Garneau, ex-mayor of Quebec and president of the Battlefields Commission.' There are no more respected citizens in Canada than Sir George Garneau and Mr. Robert Bickerdike but I would ask my hon. friend the Minister of Finance to pay a visit to Mr. Robert Bickerdike and ask him what he thinks of what was done by Mr. Bird without his knowledge. When the papers come before him he will discover that Mr. Robert Bickerdike protested loudly at the first

meeting of directors against the irregular transaction entered into by Bird and D'Aoust, a transaction which may not have been criminal but which certainly was irregular, and which my hon. friend will not and cannot condone. As to Sir George Garneau, he was the first man to know of that shady transaction from Mr. Robert Bickerdike. Mr. Bickerdike expressed surprise, as the judge said, and he immediately sent for Sir George Garneau as his mainstay and support in the Banque Internationale. Sir George Garneau came to Montreal and met Mr. Bickerdike; they both went to Mr. Bird, they remonstrated with him, they condemned him for his action, and he admitted the irregularity of the transaction. When the people of Canada know these facts, in spite of the warmth of my right hon. friend the Prime Minister, and in spite of the warmth of my hon. friend the Minister of Finance, in answering the very modest remarks I made about the whole case——

Mr. WHITE: Too modest.

Mr. LEMIEUX: Yes, far more modest than the remarks which he read himself, I am sure, in the Monetary Times, which I would say is a Conservative paper.

Mr. WHITE: I do not think it has any politics.

Mr. LEMIEUX: Well, it is a financial paper and it must be a Conservative paper. Any way it is an old landmark and if my hon. friend compares my remarks this afternoon with the reports published in the Monetary Times I have no doubt that he will say to himself: Is it possible that I forgot myself to the extent of saying to the House that my hon. friend from Rouville exaggerates, insinuates, proceeds by way of innuendo, when he has only stated the plain unvarnished facts? My hon. friend is in better humour now; he is smiling. The shareholders are not smiling; they are crying. The Postmaster General is not smiling because he is partly responsible for this last chapter; not that he was directly a party to it, but, as I stated this afternoon, he paved the way in the two other transactions that I exposed to the House.

Mr. PELLETIER: In what way? Is that fair?

Mr. LEMIEUX: My hon. friend the Postmaster General admitted himself that he did not know that his name had been in the prospectus but his name appears on the prospectus, not his name personally but his name officially as the Postmaster General of Canada.

Mr. PELLETIER: Is that my fault?

Mr. LEMIEUX: My hon. friend stated and he states again that he did not know it until he learned it from me.

Mr. PELLETIER: We are speaking now of the Banque Internationale, was there a prospectus of that?

Mr. LEMIEUX: Yes.

Mr. PELLETIER: Let us have it.

Mr. LEMIEUX: I have not got it. I am now moving for the papers. The hon. the Secretary of State is too fresh. He will soon know a little more. Instead of chewing gum in the House he will know, after looking into the records in the Department of the Secretary of State, that there was a prospectus.

Mr. CODERRE: You do not know and yet you say it; it is different with me.

Mr. LEMIEUX: Well, my hon. friend, is not aware of what is going on in the House; otherwise he would not say that. The motions I have made this afternoon will call for the attention of my hon. friend in the records of the State Department, and the documents I have moved for will be looked after by the Minister of Finance at the Treasury Board. I have said what I had to say, and nothing more. I have performed a public duty towards the people of Canada. I only regret one thing, and that is the spirit in which my motion was received by the Prime Minister and by the Minister of Finance. But I know that to-morrow from every part of the country, and especially from Ontario, inspired no doubt by the Monetary Times, the hon. gentleman will hear enough to think seriously about this and will grant the investigation that the public of Canada demands.

Motion (Mr. Lemieux) agreed to.

UNOPPOSED AND UNDISCUSSED MOTIONS.

For a copy of all letters, documents, telegrams, reports, correspondence and recommendations in any way relating to the dismissal of Demetrius Crozier, lockman at Merrickville, Ontario.—Mr. Proulx.

For a copy of all letters, documents, telegrams, reports, correspondence and recommendations in any way relating to the dismissal of Patrick Cussuk, lockman at Merrickville, Ontario.—Mr. Michaud.

For a copy of all letters, documents, telegrams, reports, correspondence and recommendations in any way relating to the dismissal of Joseph H. Webster, lockman at Nicholson, Ontario.—Mr. Pacaud.

For a copy of all letters, documents, telegrams, reports, correspondence and recommendations in any way relating to the dismissal of Cyrus O'Neil lockman, at Nicholson, Ontario.—Mr. Kyte.

For a copy of all letters, documents, telegrams, reports, correspondence and recom-

mendations in any way relating to the dismissal of Bert Johnson, lockman at Nicholson, Ontario.—Mr. Turgeon.

For a copy of all letters, documents, telegrams, reports, correspondence and recommendations in any way relating to the dismissal of John MacKay, bridgeman at Becketts, Ontario.—Mr. Lanctot.

For a copy of all letters, documents, telegrams, reports, correspondence and recommendations in any way relating to the dismissal of Michael Laughtin, bridgeman at Burretts Rapids, Ontario.—Mr. Papineau.

For a copy of all letters, documents, telegrams, reports, correspondence and recommendations in any way relating to the dismissal of Edward Proctor, lockman at Burretts Rapids, Ontario.—Mr. Neely.

For a copy of all letters, documents, telegrams, reports, correspondence and recommendations in any way relating to the dismissal of George L. Brown, officer in charge of the dominion lighthouse, Prescott Depot, Ontario, and the appointment of his successor.—Mr. Proulx.

For a copy of all letters, documents, telegrams, reports, correspondence and recommendations in any way relating to the dismissal of John Merrifield, lockmaster at Burretts Rapids, Ontario, and the appointment of his successor.—Mr. Chisholm (Antigonish).

For a copy of all letters, documents, telegrams, reports, correspondence and recommendations in any way relating to the dismissal of James McLees, postmaster at Bishop Mills, county of Grenville, province of Ontario, and the appointment of his successor.—Mr. Proulx.

For a copy of all letters, documents, telegrams, reports, correspondence and recommendations in any way relating to the dismissal of William Morrison, lockman at Burretts Rapids, Ontario.—Mr. Cash.

For a copy of all letters, telegrams, petitions and other correspondence and documents received by the Post Office Department during the last twelve months from the hon. member for East Grey and others, relating to the closing of the post office at Harkaway, county of Grey, province of Ontario, and of the proposed change in the mail service.—Mr. Lanctot.

For a copy of all correspondence between the Department of Railways and Canals and C. D. Sargent, C.E., and between C. D. Sargent, C.E., and H. G. Stanton, superintending engineer of the St. Peters canal, or between W. H. Weller, contractor for the St. Peters canal improvements, and either or all of said parties relative to work done by the contractor outside of his contract, and the specifications thereof, and also a copy of all correspondence, letters and telegrams between the Department of Railways and Canals or C. D. Sargent, C.E., and any other person, in regard to the same; and of all accounts and vouchers rendered by the contractor to the Government of such work, and the payment made by the Government to the contractor, specifying whether the same is paid for in full or otherwise.—Mr. Kyte.

For a copy of all letters, papers, evidence Canadian Pacific Railway Company for authorization to make new issue of stock, addressed to the Governor in Council, and of all correspondence with regard to the same. —Sir Wilfrid Laurier.

Mr. LEMIEUX.

For a copy of all letters, papers evidence and other documents in connection with the investigation into the collision between the steamship City of Sydney and the tug boat Douglas H. Thomas, in Sydney Harbour, November 13, 1912, and of the findings and reports of the commissioner holding the investigation in regard to the same.—Mr. Macdonald.

For a copy of the contract entered into by C. R. Scoles, New Carlisle, Quebec, with the Department of Railways and Canals for the completion of the Atlantic and Lake Superior railway between Caplin and Paspebiac, and of the report of the engineers on such work, of details of payments, and of all documents bearing on such matter.—Mr. Marcil.

For a copy of all correspondence and documents bearing upon any change made or asked for in the employees of the Department of Marine and Fisheries in the county of Bonaventure between December 5, 1912, up to date.—Mr. Marcil.

For a copy of all letters, petitions, telegrams, complaints, evidence, reports and other papers and documents in the possession of the Post Office Department, regarding any change in any post office or postmastership or any post office in Bonaventure county, between December 5, 1912, up to date.—Mr. Marcil.

For a copy of all telegrams, letters documents and plans relative to the purchase or acquirement of land for the purpose of erecting a public building in Stellarton, Nova Scotia, in the year 1912.—Mr. Macdonald.

For a copy of all documents, correspondence, letters, reports, &c., relating to the dismissal of Madame Belzil, postmistress at St. Octave, county of Rimouski, and the appointment of her successor.—Mr. Lapointe (Kamouraska).

For a copy of all documents, correspondence, petitions and recommendations, &c., relating to the dismissal of the postmaster at St. Anaclet, county of Rimouski, during the year 1912, and of the appointment of his successor.—Mr. Lapointe (Kamouraska).

For a copy of all documents, letters, correspondence, reports, recommendations, &c., relating to the petition of Mr. Firmin Thibault, of St. Denis, county of Kamouraska, for his indemnity for having served at the time of the Fenian invasion.—Mr. Lapointe (Kamouraska).

For a copy of all documents, letters, correspondence, recommendations, reports, &c., relating to the appointment of Mr. J. Begin as manager of the Experimental Farm at Ste. Anne de la Pocatière.—Mr. Lapointe (Kamouraska).

For a copy of all documents, petitions, letters, correspondence, inquiries and reports concerning the dismissal of Evariste Talbot, employed in the general freight office of the Intercolonial.—Mr. Lapointe (Kamouraska).

On motion of Mr. Borden, House adjourned at 12.20 a.m. Tuesday.

HOUSE OF COMMONS.

TUESDAY, January 28, 1913.

The SPEAKER took the Chair at Three o'clock.

REPORTS AND PAPERS.

Report of the Auditor General for the year ended March 31, 1912, Vol. II.—Mr. White.

QUESTION OF PRIVILEGE.

Sir RODOLPHE FORGET: I rise to a question of privilege. On reading over 'Hansard' of yesterday, I consider that by the speech made by the hon. member for Rouville (Mr. Lemieux) my honour and character as a Canadian citizen and as a member of this House have been attacked. The member for Rouville yesterday spoke about an hour and a half in reference to the Quebec Railway, Light, Heat and Power Company, Quebec Saguenay and Quebec Eastern railways and La Banque Internationale. He said that the Quebec merger as it is commonly called, of the Quebec Railway, Light, Heat and Power Company never, legally speaking, absorbed the stock of the subsidiary companies. I may say that this company was incorporated by letters patent from this Government and acquired all the stock of every company which it absorbed, the same as occurred in the case of the Montreal Light, Heat and Power Company or any similar holding company in this country. He also said that an issue of this company's stock had been made in France. I may say that not one five cent piece of that issue was made out of Canada; every dollar of stock was taken up in Montreal, Quebec and Toronto. About a year afterward there was an issue in France of $4,600,000. The member for Rouville says that after that there was a loss of 17,860,000 francs to the French people. This was the total issue. These bonds' interests are regularly paid, they are quoted on the Paris Bourse; and I do not see how he can make out that the French people have suffered a loss on these bonds. The bonds of course rise and fall like any other bonds quoted on the market.

Mr. OLIVER: Is the hon. member speaking to a question of privilege?

Mr. SPEAKER: I understand the hon. member rises to a question of privilege. It would be his right to read those portions of the speech which refer to him or which he claims were derogatory to his character; and then either make such explanations as would refute them or deny them.

Sir RODOLPHE FORGET: The hon. member for Rouville says:

> The result has been simply appalling; the name of Canada has been besmirched in France, and it will take years and years before the good name and reputation of the Dominion stands as high among the financial men of France as it should stand in the eyes of the financiers of all countries.

If the name of Canada was besmirched, it was by that Liberal organization of the province of Quebec, which has centred its attacks on me since the last general election.

Some hon. MEMBERS: Order, order.

Sir RODOLPHE FORGET: I have been attacked all through the province of Quebec as I was attacked yesterday by the hon. member for Rouville. I have been attacked by papers in Montreal.

Mr. OLIVER: Is the hon. member in order?

Mr. SPEAKER: Order. I think the hon. member is now exceeding the question of privilege. He is quite within his rights in reading the particular portions of the speech which referred to him personally and giving his answers to them; but not when dealing with what newspapers outside say. He must deal with what a member of this House has said.

Sir RODOLPHE FORGET: The hon. member for Rouville says that a certain gentleman of the name of Paul Gaudin came to Canada last year and made a lengthy report to the bondholders on his return to France. This is true; that man was sent by the French administration of the Quebec railway in Paris; he took 25,000 francs out of the cash box in Paris and never made a report to the directors in Montreal. This man was one of those conspirators and I simply would not qualify—

Some hon. MEMBERS: Order, order.

Sir RODOLPHE FORGET: The hon. member for Rouville says that this series of works was partly undertaken during the last Dominion elections. These works were begun fourteen months ahead of the Dominion elections and were kept on during the elections just as the building of a railway continues. He speaks of the appointment of a commercial agent in Paris to succeed Mr. Poindron. Mr. Poindron was one of those who attacked me; he came to Canada; he was dismissed by the hon. Minister of Trade and Commerce; and after he got through with his money, he committed suicide.

Mr. PROULX: Who recommended his dismissal?

Sir RODOLPHE FORGET: In regard to the prospectus which was issued in Paris stating that President Taft had his summer residence at Murray Bay, President Taft had a house at Murray Bay, was there every summer, and the newspapers say he is going back there next summer.

Some hon. MEMBERS: Order, order.

Sir RODOLPHE FORGET: On the ten millions of dollars of bonds that were

issued in Canada, the company is earning its interest and paying its coupons regularly. In regard to the bonds, they are quoted in Paris, the coupons are being paid and all the money realized was spent on the railway. The directors were not paid; they did not receive even travelling expenses. The hon. member for Rouville says:

There is a very small population, and, except in summer, there are very few travellers.

Mr. OLIVER: There is no desire on the part of anybody to prevent my hon. friend——

Some hon. MEMBERS: Order, order.

Mr. SPEAKER: Order. I should like to know if the hon. member is rising to a point of order.

Mr. OLIVER: My point of order is that what the hon. member is reading from 'Hansard' has nothing to do with his personality and does not require a personal explanation. Therefore, he was not within the rules of the House. I was going on to say, if I might, that there is no desire on anybody's part to prevent the hon. gentleman from saying whatever he pleases. But there are certain rules which have been laid down, and which have been enforced against hon. members on this side of the House——

Some hon. MEMBERS: Order, order.

Mr. SPEAKER: Order.

Mr. OLIVER: We merely ask that they be enforced against the other side.

Some hon. MEMBERS: Order.

Mr. SPEAKER: I do not think a demonstration of this nature is exactly becoming in this House. The hon. member desires to state his point of order and to give his answer. As I understand it, the hon. member was referring to a prospectus which was put out by one who was president of a company referred to, containing certain allegations which are denied, but which he declared to be correct. The first, as I understand it, is in reference to the fact that Mr. Taft had his summer house there. And there are other things stated in the prospectus, and, as I understand it the hon. gentleman was defending these statements as being correct.

Sir RODOLPHE FORGET: The hon. gentleman said also that in the speech of the hon. member for Montmagny—I suppose he means Montmorency——

Part of the embankment has been graded, but instead of being started at Mile 30 in the county represented by my hon. friend the member for Montmagny.

Sir RODOLPHE FORGET.

I suppose he means Montmorency——

—the road was started at the other end, in order to facilitate same private speculators.

The road was started at the proper place—beginning from the end of the Quebec, Charlevoix and Montmorency railway at St. Joachim and on to Murray Bay and Nairn's Falls. The hon. gentleman refers to the report of Mr. Gaudin and says that this gentleman:

—condemns a series of private speculations which took place out of the money of the unfortunate bond French bondholders.

I deny that in toto, so far as I am concerned, inasmuch as I never sold a share or a bond of the Quebec and Saguenay railway, the Quebec Eastern, the Quebec Railway, Light, Heat and Power Company. Of this $4,000,000, as I have said, every dollar was spent on the road. There is still due in round numbers $855,000, and about $600,000 will complete the road—and it will be completed.

As to these French financial papers which are mentioned in the speech of the hon. member for Rouville, they are nearly all blackmailing papers in Paris. One of them, the one taken over by Quebec politicans, is Le Marche. This is one which goes under the name of C. Ferriers, chief editor and managing director. His real name is Krolikoski. He is nothing but a jailbird, as I can prove. I may say also that the man who runs the paper L'Action in Montreal, is also one Fournier, who is a jailbird, a morphine fiend and a drunkard.

The hon. member for Rouville further says that the dividends which were paid on the Quebec Railway, Light, Heat and Power Company were never earned. Every one of those dividends was earned, and the accounts were passed by the firm of P. S. Ross & Sons, one of the best firms of accountants in Canada.

Now, I come to La Banque Internationale du Canada. In his speech, the hon. member for Rouville said that the north shore of the province of Quebec was a poor country, that the road could never earn dividends. Sir, such a statement was made by the Liberals with regard to the Canadian Pacific railway that it would never earn enough money to pay for wheel grease. Now, as to the Banque Internationale, I must say that no bank in Canada could have stood what that bank stood without closing its doors. The bank was incorporated in the spring of 1911. Some French people came over from France and wished to start a bank with $10,000,000, in Canada. They came to me and said they could have about $7,000,000 subscribed in France, if we could get $3,000,000 subscribed in Canada. They agreed to get this

money subscribed for a forfeit of $200,000. They would pay the expenses of the bank, incorporation and everything else, until the bank was opened, and they would pay the $10,000,000—fifty million francs—in Montreal with exchange at par in Canada, I considered that $200,000 for a $10,000,000 institution was very cheap. The stock was subscribed at 102½—two per cent to go to cover the $200,000 and the other one-half per cent to go for expenses. When all this was done, the bank took offices in Montreal, engaged clerks, and for six months these people had to pay all the expenses—salaries, rental, taxes, charter, lawyers, everything. But they never expected it would take so long to get a license. An office was opened in Paris—I wish the hon. member for Rouville to listen to this—with four French directors, men of the best character, and a manager named Mr. Laurette. This office in France had not been going on very long, when we found in Montreal that the statements were not made according to Canadian banking law. We found fault with that. There is where the trouble began. We wrote to Paris and said that they had to send their statements according to Canadian banking law. This they refused to do. I went to Paris and remonstrated with them, and they agreed that they would do as required in the future. I came back. But a month later I found out that they were not conforming with the law. We told them that if they did not conform with the Canadian law we would have to close the office in Paris. They were doing business as it is done in France. They discounted notes, which never passed through the books and rediscounted them in the Bank of France, and there was only one-half of one per cent commission, whatever it was. We found fault with that. Later, the hon. gentleman for whom the hon. member for Rouville shed tears, sent over for $50,000 of the bank circulation to be given to the immigrants coming to Canada, as is done in Liverpool. Of that $50,000, $5,000 was put on the Niagara boat of the French line, and the other $45,000 was sold with the seals unbroken in Germany, and sent to Montreal. When we found these people doing such a thing, we instructed them to close the Paris office. Immediately, they sent out a circular to the French shareholders, which is as follows:

Banque Internationale du Canada.
Paris, July 25, 1912.
60, rue de la Victoire.
Paris Agency,

Gentlemen,—We have the honour of reminding you that at the general constitutive meeting of the shareholders of the Banque Internationale du Canada which took place in Montreal on the 28th of August 1911, it has been decided that the general annual meetings of our institution would take place on the second Tuesday of August of each year. The first meeting to take place on the 13th of August, 1912.

The shareholders could not then forsee the delays experienced in obtaining the charter granting us the right of beginning operations.

The Banque Internationale du Canada having been unable to open its wickets to the public before the 17th of October, the Canadian directors then had to change the date of the date of the closing of the books for the fiscal year from June 30th to the 30th November.

We had therefore thought that the 13th of August 1912, could not be maintained, but we hear that our Montreal colleagues had to abide by the resolution passed at the general meeting on August 28th, 1911, and that general annual meeting will take place on the 13th of August, 1912.

Under these conditions, it is our duty to furnish you with the means of being represented at this meeting, and to this end we are sending one of your co-shareholders.

We would therefore be much obliged to you for returning us the two power of attorney forms, duly signed, which you will find under cover, and we will take the liberty of calling your attention to the necessity for the European shareholders of retaining the majority at the meeting which is to take place so shortly. All omissions or delays in returning these enclosu es would prevent the representatives, chosen by the French directors, from accomplishing that for which he was sent.

In the meantime, we beg you will accept the assurance of our high consideration.

BANQUE INTERNATIONALE DU CANADA.
S. V. Chomereau-Lamotte,
President of the Paris Committee.
Stanislas Bacel,
Director,
Raoul Sautter,
Director.

I wish to read the following letter from Bordeaux:

A copy of my letter which you will find under cover should leave you no doubt in this regard. It was in reality sent to you, since you have given your representative the right of opening all letters of this kind addressed to you; therefore you cannot blame me for giving this power of attorney. Since you had the right to do as you chose with it, the name of the party to make use of the said proxy was not entered, and the fact of your representative sending it to the Paris agency, rue de la Victoire, was a proof that you approved of the choice of the French representatives. What more could I do than leave things entirely in your hands?

If I have written at length on this matter, it is because you probably know nothing about the matter if you do not read the correspondence addressed to your Paris agency.

Believe me, with kind regards,
A. CLAVERIE.

I have here also a letter from Paris, which reads as follows:

I have signed, and I regret it now, the power of attorney in favour of the French representatives. I did not know who was to go to Canada, in that capacity, nor what they would do when there, but in face of the bad work done by these gentlemen, it is impossible for me to share in their views, I would therefore be very grateful to you if you would either pay the second call, as you had bound yourself to do as per syndicate agreement, or take back my shares.

I know several members of the syndicate who would, I believe, be quite wil ing to dispose of their shares in your favour.

Hoping to receive a favourable answer, I beg you will believe me,

Your respectfully,

L. HESSE.

Cashier of your Paris Agency.

I wish also to read the following letter.

After what I have learned from Mr. de Richecour, on his return from Canada, concerning the Banque Internationale, I consider it contrary to my interest to be in any way associated with a transaction which will result in stopping the operations of the bank. I therefore beg you will take note that I have not given my power of attorney with the view of having the actual president set aside, and I wish to make it clear in this letter, that I will have nothing more to do with the group whose intention, it seems, is to attack the president. Furthermore, I will add that I am ready to give up, in favour of Sir Rodolphe Forget, my 200 shares at the initial price of $2,000.

Please accept, Sir, my kind regards,

Vte. de SAINT-ANGEL.

The letter following comes from a big banking house in Paris, representing 12,000 shares, and is signed by Jacques Duboin:

Sir Rodolphe Forget, President,
Banque Internationale du Canada,
Montreal.

On account of the events which have just taken place, it has been impossible for me to write, but you must have learned through Mr. Chouillou, what my attitude has been, from the start in the strife over the bank matters.

The majority of the French shareholders have not been kept posted as to the intentions of the French directors, and you know how the greater number of proxies were obtained.

The circular, which came under same cover as the blank proxy form, and signed by three of the French directors, still on the board, said that its object was to make sure that a representative be sent, but gave no details whatever as to what his mission would consist in.

You have seemed surprised, Mr. Chouillou told me, that none of the shareholders afterwards cancelled proxies that had been used in such a dangerous manner. The answer is quite simple. These proxies asked for by the directors, in the name of the Banque Internationale du Canada itself, had been signed, as one signs proxies that are asked for by a large number of foreign companies, when about to have their annual meetings. Not one shareholder in a hundred (and we amongst them) could remember the exact wording of the proxy, and the majority thought that this proxy would have no more value the day following the meeting for which it was given. Why then cancel a proxy that was valueless?

I hold at your disposal a number of letters from shareholders, all of which confirm what I have written above.

It goes without saying that no one in France, except perhaps the directors, have given any one power to represent them in any lawsuit or to enter any such proceedings. The representative which went to Montreal was sent by the directors, and not by the shareholders.

The shares which I represent figure in the list of shareholders as follows:—J. d'Anchald, de Lavaux, de la Fressange, C. Cheron, Baronne Hoquetis, Eloi Duboin, Jacques Duboin, de la Chapelle & Cie.

These shareholders have shared, in every respect, my way of thinking and regret exceedingly that grievances, of which we know nothing should have been made the cause of such a campaign against the bank.

After having obtained the proxies, these three persons left Paris and came to Montreal. The meeting was to take place at 12 o'clock noon on the 13th of August, and they arrived about fifteen minutes before that time. At the meeting they were the only two shareholders present, and they asked for an adjournment until the 10th or 13th of September, and that adjournment took place. Many of the proxies deposited in the bank about ten days afterwards were not dated, and, in some cases, not duly authenticated, and many of them were women's proxies not authorized by their husbands. I consulted the best solicitors in Canada in regard to the matter—Messrs L. T. Marechal, K.C., and J. L. Perron, K.C., and J. N. Greenshields, K.C., and Hon. L. O. Taillon, K.C.; moreover, I asked also the opinion of Judge Mathier the Dean of Faculty of Law of the Laval University, and, having regard to the opinion of these five gentlemen, when the meeting took place, I ruled the proxies out.

The hon. member for Rouville has stated that the gentlemen referred to were physically ejected from the meeting; that statement is unfounded and untrue. They immediately took out an injunction to prevent the bank from further proceeding, but this was thrown out by Hon. Judge Beaudin. Later on a quo warranto was taken out to put the directors out of office, and this also was dismissed. The supposed mandataires before leaving Paris, were given by the French directors the sum of 50,000 francs out of the bank funds. I would direct the attention of the Minister of Finance to the fact that some of the French shareholders are now going to sue for the recovery of the 50,000 francs. The hon. member for Rouville has said these people were losing $568,000. They sold 53,000

shares, for which there was paid not $12.50 but $10.25, and they sold them for $5, making a loss of $265,000. The bank did not lose one cent in Canada, and in Paris the amount lost was about $150,000. The office is now closed, and we will have the last statement very soon. When hon. members opposite make the statement that these people lost their money, I may remind them that all the capital except this $150,000 is in the Bank Internationale, and that the syndicate which takes over the affairs of the bank will be making a good bargain. The member for Rouville said that he knew that this bank was never going to be a success. Never did any bank succeed so well until the French people, deceived by a clique of Quebec Liberal politicians, made up their minds to close the bank so as to hurt me. Without any publicity, not $500 worth of it, within six months the circulation of the bank was at its maximum, and the deposits amounted to $2,300,000.

Now I come to that famous note of D'Aoust. Mr. D'Aoust is the man who received the $200,000 for incorporating the bank, but he was not to get that money until the $10,000,000 had all been paid up as well as the premium and that money transferred into Montreal. It is said that I pressed on Mr. Bird, the manager of the bank, to do this. I was not in Montreal at all. It was said that I signed that report for April or May. I was then in Paris. It was the hon. member for St. Lawrence division, the vice-president of the bank who signed that report. Had I been in Montreal myself I would have signed it; I am not shirking the responsibility. When I came back I signed it for the following month. I considered the transaction perfectly legal, absolutely legal, and the day when it was decided not to call the further money we simply told Mr. D'Aoust that the premium on the $9,000,000 had not come in he would have to pay his note and he paid his note. As far as signing the bank statement is concerned, I want to know what does the president of a bank, take the Canadian Bank of Commerce for instance, which has over 380 branches from Halifax to the Yukon,—what would the president or general manager in Toronto, who signs that statement, know about these ? I consider that everything that was done in connection with the bank was perfectly and absolutely legal. There was not a dollar lost, not a cent lost, and as I said the whole trouble was due to the fact that under the leadership of my hon. friend from Montmagny I decided to run in Montmorency to break up that clique that they have ever since been making a set at me through all their newspapers.

The hon. member for Rouville said that he does not take much stock in certain papers which were blackmailers. He said that in his letter to me. But he referred to Le Soleil. Le Soleil is edited by a deserter from the French army who came to this country knowing nothing of the marriage law. And these papers were sent by the thousands to France and the French papers were sent by the thousands into Canada against me. But notwithstanding all that I do not feel ashamed of what I have done. I am not ashamed of the men with whom I am associated, Senator Casgrain, Sir George Garneau, the hon. member for St. Lawrence division and the hon. the Postmaster General. I do not feel ashamed of them and if the hon. member for Rouville is anxious for an election, I am willing today to resign my two seats, let him resign his own, and I will give him the choice of one out of the three and run against him in whatever constituency he chooses. Is this fair play?

Mr. OLIVER: I rise to a point of order. I wish to ask if in your judgment my hon. friend is within his privilege?

Mr. SPEAKER: I assume that hon. member thought it was necessary in vindication of his character. As it was single passing remark I did not think it worth while to rise and interject.

Sir RODOLPHE FORGET: The hon. member may choose Montmorency, Charlevoix, or Rouville. I think it was the right hon. the leader of the Opposition who gave a good many reasons why the license was not granted. I may say that the principle reason was that I was running in Montmorency against the son of the president of the Transcontinental Railway Commission, the bosom friend of the leader of the Opposition.

Sir WILFRID LAURIER: I deny that altogether.

Some hon. MEMBERS: Take it back.

Sir RODOLPHE FORGET: You deny the bosom friend?

Sir WILFRID LAURIER: I deny that a certificate was refused on any such consideration as that just mentioned by the hon. member. The certificate was refused because one of the directors had not been duly qualified when he was elected.

Sir RODOLPHE FORGET: Eight directors out of nine were elected. I remember that objection was taken because one of the directors had his shares in his firm's name, but let me say that the Hon. Mr. Parent came to me in the Chateau Frontenac and offered that if I would not run in Montmorency he would get me the license.

Sir WILFRID LAURIER: I know nothing of what Mr. Parent may have done, and

moreover I do not believe that Mr. Parent ever said anything of the kind.

Some hon. MEMBERS: Order.

Sir RODOLPHE FORGET: The offer was made at 2 o'clock in the morning in the Chateau Frontenac, and he added a rider in offering to have me elected by acclamation in Charlevoix. I told him that I knew we would get the license because we had done more than the law required. The law requires that only $500,000 should be subscribed and $250,000 paid in. There was very close to a million dollars paid in and $10,000,000 subscribed.

I saw in the Montreal Gazette this morning that the hon. member for Rouville said his partner had lost $10,000.

Mr. LEMIEUX: I said he had subscribed $10,000.

Sir RODOLPHE FORGET: Well, he is not going to lose $10,000. He has $1,025 paid, and if he gets $5 he will lose $512.50, which he can well afford to lose, considering the amount of money he is making otherwise.

As to the charge that was made against the manager of the bank, I consider that there is no more honest man or better qualified manager that Mr. Bird. He was for twenty-seven years with the Bank of Toronto. Again, there was nothing but a political game in that, and judgment would have been given, I am sure, much quicker if it had not been for some pressure brought by somebody whom I shall not name.

Mr. OLIVER: I again rise to a point of order, I ask you if there is any limit to the privilege of this gentleman in addressing the House.

Mr. SPEAKER: Order. The hon. gentleman is rather reflecting on the Chair. I have been exercising my best judgment as to the limit to which the hon. member may travel in vindication of his own character, and, so far as my judgment enables me to say, I think that, with the exception of an occasional observation that might very well have been left out, he has been quite within his rights.

Mr. OLIVER: I wish to say, Mr. Speaker—

Some hon. MEMBERS: Order, order; sit down .

Mr. OLIVER: I wish—

Some hon. MEMBERS: Order, order.

Mr. OLIVER: I wish to say, Mr. Speaker, that I did not intend any reflection on the Chair.

Sir RODOLPHE FORGET: The hon. member for Edmonton says that there has been no limit to my privilege, but there has been no limit for the last year to the attacks against me. I have been accused of everything but murder and all this is due to the fact that the toll gate in Quebec has been abolished. The hon. member for Rouville also said that these bonds had been offered in Paris with the promise of a guarantee from the Quebec Railway, Light, Heat and Power Company which promise had not been carried out. The Quebec and Saguenay debentures were never sold in Paris. All these bonds were bought by the Quebec Railway, Light, Heat and Power Company, and they issued their own bonds against them and therefore there was no guarantee necessary. As far as the vigilance committee is concerned, of which the hon. member for Rouville spoke, I will produce proof, if the hon. member wants it, that these same people have been trying to do me up. I will produce proof to show that they have been again trying to blackmail me. I have telegrams and letters telling me that if I would pay them 40,000 francs they would not make any complaint in Paris and that request being refused, they came down to 30,000 francs and then to 10,000 francs. We have refused every proposition of that kind. They said that they proposed to send another engineer to Canada and we said: Send on the engineer; the light is shining, everything is open for inspection, the road is earning about $2,000,000 a year and the engineer will be well received. The hon. member for Rouville asks the Government not to do anything to assist the construction of a railway on the north shore of the St. Lawrence.

Some hon. MEMBERS: Order, order.

Mr. SPEAKER: I am afraid the hon. member is going beyond his rights in discussing that question.

Sir RODOLPHE FORGET: The hon. member for Rouville says:

> That is why I have given a friendly warning on many occasions to my hon. friend, the genial Minister of Railways and Canals. I have told him that I was so happy to see him occupying the very high position of Minister of Railways and Canals in this country, that I wanted to see him there a very long time, but that if he gave in, if he fell into the scheme, if he succumbed to the temptations of the sharks, he might perhaps find it awkward some day.

I understand from this that the hon. gentleman wishes to imply that the people who built the Quebec and Saguenay railway and all those who were associated with me in the enterprise, were sharks. He also said that there was a judgment, not against me, but against the Quebec and Saguenay railway. There has been no judgment,—not one. Our lawyer, who is a good lawyer, through some mistake, did not appear, and

that was all; next day he appeared and the case went on. I think I have given all the explanation necessary to the House on this subject. I will just say that if an inquiry is granted I will be delighted to have it because I will there demonstrate the truth of every word I have uttered to day, as I will also show conclusively that there is no truth in what has been said by the member from Rouville. The hon. member for Rouville referred to a meeting and asked if the Government had received a report of it. In that connection I may say that out of 100,000 shares the people to whom my hon. friend referred managed to collect 12,000. Any letters or papers that I have I am willing to show the hon. member for Rouville. Before sitting down I again extend this challenge to the hon. member for Rouville, that I will resign my seats for Montmorency and Charlevoix if he will resign in Rouville and contest any one of the three counties with him on this issue.

Mr. LESPERANCE : As I have been and still am connected with the company, the directors of which have been attacked by the hon. member for Rouville, I also beg to be allowed to speak to a question of privilege. I shall not be very long; I know that the patience of the hon. member for Rouville has been very much tried today and I shall endeavour to keep my remarks within one or two points which have been mentioned in the course of this discussion. One of these points has reference to the famous meeting of shareholders where certain people were represented by proxies. The hon. member for Rouville said, in speaking of that meeting:

The French group subscribed $8,000,000 and they paid 10 per cent. The Canadians subscribed two millions. On September 3, 1912, the annual meeting took place in Montreal. The French had subscribed $8,000,000 and let us see how our dear cousins from France were treated by their fellowmen in Canada. The French shareholders sent to the annual meeting two representatives accompanied by a young Canadian lawyer, the son of Mr. Justice Archibald, who is practising law in Paris, and with the proxies representing the $8,000,000 in their possession. What happened, Mr. Speaker? They were simply evicted just as the tenants of old in Ireland were evicted. Some fault was found with the way in which the proxie had been prepared. There were some irregularities, and those shareholders who represented $8,000,000 worth of stock were ejected forcibly from the room where the delib rations took place.

Now, Mr. Speaker, you have in that statement a sample of the nature of the campaign that is being waged in the province of Quebec by some hon. gentlemen sitting on the other side of the House. I cannot, and be within the rules of Parliament, describe this statement in the language in which I would like to describe it, but I will say that that statement is recklessly untrue. I was present at the meeting as a shareholder, and at that meeting I was made a director of the Banque Internationale for the first time by the unanimous vote of the shareholders present there. At that meeting, the question of the proxies came up. I think it well that I should tell the House the names of the men who were then elected directors of the Banque Internationale, and leaving aside myself, I say these men to-day who form the board of directors of that bank, are among the most representative men in the province of Quebec, both as regards their financial standing and their position in the community. I give their names: Mr. Paul Galibert of Montreal, whom everybody connected with commerce in the province of Quebec knows is one of the most independent and progressive, and most honest business men in the whole province; then, there is J. M. Fortier, who is to the front in every industrial movement and who bears a high reputation in the city and district of Montreal; then there is Sir George Garneau, whom the hon. member for Rouville (Mr. Lemieux) well knows, and I am sure he will not question Sir George Garneau's motives when he accepted a directorship in that bank and shared in the responsibility of its management; then, there is Mr. Bickerdike, the hon. member for St. Lawrence in this House, who, I think the member for Rouville will admit is a man of high standing in the province of Quebec; then, there is the Hon. L. O. Taillon, who, although opposed to the hon. member for Rouville in politics, the hon. member will not deny has a high standing in the province of Quebec and in the whole Dominion; then, there is Mr. Trefflé Bastien, the well known capitalist of Montreal, whom the hon. member for Rouville knows well, and I am sure he will not question Mr. Bastien's qualifications. Before I consented to become a director of that bank, I knew there were some rumours; I knew the French people wanted to create trouble at that meeting, and consequently occasion was taken to have the best legal advice that could be given on the matter of the proxies. There was read at that meeting a letter from the Hon. Judge Mathieu who, not only in the province of Quebec but in the whole Dominion is considered one of the best legal lights in the magistracy. The Hon. Judge Mathieu not only said that he believed the proxies were not regular, but he went further and said in that letter that he could not see how they could be accepted at that meeting of the shareholders. Other famous lawyers, Mr. J. N. Greenshields, K.C., of Montreal, Mr. Marechal, K.C., the Hon. L. O. Taillon,

K.C., and Mr. Perron, K.C., also expressed the same opinion. After having heard the opinions of these eminent counsel the shareholders present decided unanimously to support the president's decision that the proxies should not be accepted. It would seem to me to be due to the dignity of this House that the hon. member for Rouville, before he brings up in this House a matter which involves the credit of a bank and the reputation of gentlemen of high standing in this country, should have acquainted himself with the true facts. I trust that the hon. member for Rouville will take advantage of the present occasion to correct his statement; I think he owes it to this House and to the gentlemen who have been attacked that he should do so.

Mr. LEMIEUX: Mr. Speaker, may I be allowed to answer in one sentence the remarks which have been made?

Some hon. MEMBERS: Order.

Mr. SPEAKER: I do not see anything in the rules which would justify me in allowing a debate on this without a motion properly before the Chair.

THE FRUIT INDUSTRY.

Mr. SEXSMITH moved:

That that part of the report of the Minister of Agriculture for the year ending March 31, 1912, relating to the fruit industry be referred to the Select Standing Committee on Agriculture and Colonization.

He said: The proceedings of the Committee on Agriculture and Colonization in the past have been to a certain extent irregular, and after consultation with the Minister of Agriculture, in order to get the committee on a better working basis, it was decided that this motion should be presented to the House. I think if it is passed we will be able to make investigation into the fruit industry and get information before the country which will be of decided value.

Motion agreed to.

BUSINESS OF THE HOUSE.

On the Government notice of motion:

That on Wednesday the 29th January, instant, and all subsequent Wednesdays to the end of the session, the House will meet at 3 o'clock p.m., and that the sitting on such days shall in every respect be under the same rules provided for other days, and that on said Wednesdays Government orders will have precedence immediately after notices of motions for the production of papers.—Mr. Borden.

Mr. BORDEN: I have discussed the matter with my right hon. friend the leader of the Opposition, and I am prepared to modify the motion in a manner which I trust will be acceptable to hon. members on both sides of the House, and by which it will be provided that on and after February 12 Government orders shall have precedence on Wednesdays, immediately after notices of motions for the production of papers, and that on and after Wednesday, February 19, the House shall meet at three o'clock on Wednesdays and sit in the evenings as on other days.

Sir WILFRID LAURIER: In so far as we are concerned on this side of the House, we have no objection that the sittings on Wednesdays should be the same as the sittings on other days, that is, from three o'clock to the adjournment, instead of from two to six. My right hon. friend suggests that this should take place on and after the 19th of February. If that suits the convenience of the House, of course we have nothing to say in the matter. With regard to the other parts of the motion, that is to say, that on said Wednesdays Government orders will have precedence immediately after notices of motion for the production of papers, I would suggest to my right hon. friend that he do not press that part of his motion to-day. The Order Paper is heavily charged with Public Bills and Orders. Some of the Bills on Public Bills and Orders have been called only once during the present session, if my information is correct; none of the Bills on that occasion were printed, and therefore could not be taken up. There are many Bills on the Order Paper; there is the Bill of my hon. friend from Selkirk, respecting the Pollution of Navigable Waters, which is a question of great importance. I shall be sorry if he cannot have the privilege of a discussion on it during the present session; but I doubt if it can be taken up if the Government is to take Wednesday as a Government day. On the other hand there are on the Order Paper at the present time 162 motions. It is true that three or four of these motions have been called more than once; but at least half of them have not been called at all. I believe that a good many of these motions are not debatable; and if they were passed, would be disposed of. A good many are debatable and before the Government deprives the private members of Wednesdays, I think it would be well to see what progress we can make with the disposition of the Notices of Motion and the Public Bills. If my hon. friend will accept my suggestion, he will not press that part of the motion to-day.

Mr. BORDEN: I think my hon. friend is not correctly informed as to some of the matters he has mentioned. As regards the motions on the Order Paper of yesterday,

numbers 1 to 8 inclusive have been called three times; numbers 36 to 40 inclusive have been called eight times; numbers 41 to 44 inclusive have been called seven times; numbers 45 to 47 inclusive have been called six times; numbers 48 to 53 inclusive have been called five times; number 54 has been called four times; numbers 55 and 56 have been called three times; numbers 57 to 60 inclusive have been called twice; numbers 61 and 62 have been called once. I realize that in addition to these there are a number of motions on the Order Paper which have not been called at all. Probably most of them might very well have been put on the Notices of Motion for the production of papers. Therefore there is not really so much on the Order Paper which would interfere with that part of my proposal. As far as Public Bills and orders are concerned, I think my right hon. friend is substantially correct, although they have been called twice; once on Thursday, December 5, and again on Tuesday, December 10. There was no opportunity to go on with some of them at that time; but there was opportunity to go on with others. I agree with my right hon. friend in reference to the importance of the Bill introduced by my hon. friend from Selkirk; I think it passed through the Senate about two sessions ago. I shall be prepared to give an opportunity for the consideration of that Bill, because it is proper that the House should consider it. We shall have all Mondays, we shall have to morrow and it is important that the necessary business of the country should be proceeded with unless we are to remain here for a very long time during the present session. I should not like to press upon my hon. friends on the other side of the House a proposition which they strongly oppose so far as the business of the House is concerned. I should be very glad if the right hon. gentleman would reconsider the matter, and come to the conclusion that Government business might have precedence after the 19th of February at least. I have asked for it from the 12th, but I will be willing to meet him and say it shall only have precedence from the 19th. That is a very considerable compromise, because Wednesday the 12th will be a whole day.

Sir WILFRID LAURIER: As Wednesday February 5 is a holiday, before the 19th of February you will have only three Mondays and two Wednesdays to dispose of the large number of motions on the Order Paper.

Mr. BORDEN: I am not going to take Mondays at present.

Sir WILFRID LAURIER: No, no. What I wish to say is that it is impossible in five days to dispose of the whole of the Order Paper. I must say frankly to my hon. friend I do not think we can dispose of it. I know that every session some sacrifices have to be made and some have to suffer. There are some very important discussions, some very important motions and some very important Bills; and I think before members are deprived of the privilege of discussing these matters, that my hon. friend should try to give them an opportunity of doing so. On the 12th of February or later he can renew his motion, and if we have made reasonable progress I shall impose no opposition on my part.

Mr. BORDEN: I shall be willing as the right hon. gentleman suggests to let it stand to-day in that way, that on Wednesday, the 19th February, and all subsequent Wednesdays to the end of the session, the House will meet at 3 o'clock, p.m., and proceed as on other days; but I must not be regarded as having given up the idea that by that time it will be necessary for the Government to take Wednesdays.

Sir WILFRID LAURIER: Possibly.

Mr. BORDEN: I think it will. I am willing not to press the matter to-day, and to have further conference with the right hon. gentleman in regard to it.

Mr. CURRIE: Before the motion is disposed of, would it not be advisable to appoint a committee to revise the rules in order to provide for the meeting of this House at two o'clock. The sessions are getting so very long that I think that we ought to work a few hours longer during the day and especially during the daytime. In the British House of Commons, it is provided that a member cannot put fifteen or twenty motions on the Order Paper and let them stand there all session, or practically what is called blocking motions. We have several matters in our rules which date away back to 1867, such as that no member can bring in a Bill referring to trade without approaching it with a resolution. These rules have been amended in the British House of Commons. And I, as one of the members of this House, would like to see some amendments of the rules which would provide for greater expedition in the work of the House.

Motion as amended agreed to.

PILOTAGE ON THE ST. LAWRENCE.

Mr. LEMIEUX: I have seen it stated in the papers that on acount of the many accidents which have taken place recently on the St. Lawrence route, the hon. Minister of Marine and Fisheries intended to appoint a commission concerning pilotage systems in Canada, and especially on the St. Lawrence. May I ask if that is the case?

Mr. HAZEN: The information of the hon. gentleman is in the main correct. An Order in Council has been passed authorizing me to appoint a commission to investigate matters connected with pilotage on the St. Lawrence. That commission will be confined to the St. Lawrence; I thought it best not to complicate the matter with other questions, as these could be investigated, if it were found desirable, later on. In the course of a day or two, I hope to announce the names of the commissioners. On appointment they will at once enter upon their duties.

Mr. WILSON (Laval): May I ask the Prime Minister about an order of this House that was passed twelve months and four days ago. The case of my hon. friend from Red Deer is a little one compared with nine. It is all very well to have the rules of his House revised as suggested by my hon. friend from Simcoe, but I think it would be better to obey the rules that are already in existence. This order was passed on the 24th of January, 1912. My right hon. friend the Prime Minister made the remark that it was a comprehensive order and said there would be some delay in filling it. I renewed my question last session and further delay was asked for. At the end of the session the right hon. gentleman said he would send me the papers during the long vacation. The vacation has been over for some time. I know the right hon. gentleman was busy in England—I understand that. We know the result of his work; it was a case of 'emergency.' He came back to Canada and we resumed our duties here in November. I again renewed my question and received no answer. More delay was asked for. Before the Christmas recess I asked the question, and the same answer was given me. I do not suppose the right hon. gentleman is serious in trying to make the House believe that over a year is needed in order to make the report I have asked for. That report could be made in a couple of days by an officer going through the reports of the Auditor General.

Sir WILFRID LAURIER: What was it about?

Mr. WILSON: The motion was for a list of the dismissals—

Sir WILFRID LAURIER: Oh, that is too long.

Mr. WILSON: It must be very long indeed. I asked for this return to cover only the time from the first of October, 1911, to the tenth of January, 1912. We are still waiting for our answer. But this was an order of the House, duly passed, and it is to be respected and complied with.

Mr. BORDEN: I will again direct the attention of the Secretary of State to my hon. friend's motion. I entirely agree that he is entitled to precedence over my hon. friend from Red Deer, and I will see that precedence is given. I understand that the hon. gentleman asked for a very comprehensive list covering the position, the nationality, the past career and, for all I know, the probable future career, of all the people to whom he referred. This has involved a good deal of research. I have no desire to withhold this return from my hon. friend, and I do not supposed that the officials of the department have any such desire. I think we must give the officials credit for endeavouring to expedite the report as much as possible

RECIPROCAL TRADE TREATIES.

Mr. DEVLIN: As the hon. Minister of Trade and Commerce is on the point of leaving for Australia, I would like to ask the Prime Minister, in the absence of the hon. Minister of Trade and Commerce, if he thinks any further information will be given in this House than appears in the press of Canada, that the Minister of Trade and Commerce, upon his return from Australia, is to proceed to China and Japan to negotiate closer trade relations with those countries.

Mr. BORDEN: I will direct the attention of the Minister of Trade and Commerce to my hon. friend's question. I may say that I do not know of any definite arrangements having been made.

CANADA GRAIN ACT.

Mr. KNOWLES: A few days ago I addressed a question to the Minister of Trade and Commerce to which question he gave an answer. The question was whether there would be an amendment to the Canada Grain Act this session. The hon. gentleman replied that he expected that there would. I desire to ask more specifically whether there will be any amendment to the Grain Act in connection with the matter of where sample markets may be located, and further as regards where inspection points may be created. Under the law they may be created anywhere, but this is feasible only where there is a survey board.

Mr. CURRIE: I rise to a point of order. A question of that kind, I understand, is not admissible under the rules.

Mr. SPEAKER: As to the point of order, it seems to me that it is scarcely proper at this time to put questions of that nature without some notice being given to the ministers in the usual way.

Mr. KNOWLES: Am I out of order, Mr. Speaker, or not?

Mr. SPEAKER: I think that the giving of a notice would be proper, but I do not regard the hon. member as being out of order in putting the question.

Mr. KNOWLES: My question is whether the Government proposes during the present session to amend the Canada Grain Act so that it will be possible to have sample markets established at Moosejaw, and whether legislations will be enacted so that it will be possible for the Board of Grain Commissioners to establish an inspection district at Moosejaw, where a company is now ready to go on with the work. I strongly recommend that such legislation be enacted.

Mr. BORDEN: I am not in a position just at the moment to say whether or not these matters are included in the powers invested in the Grain Commission, but I may say that the Minister of Trade and Commerce will have his attention directed to the hon. gentleman's inquiry.

BANKS AND BANKING.

Consideration of the motion of Mr. White (Leeds) for second reading of Bill No. 36, respecting Banks and Banking resumed from January 21.

Mr. E. W. NESBITT (North Oxford): It is not my purpose to take up the time of the House at any great length with the remarks I desire to make on this subject. I understand the minister intends to send the Bill to the Banking and Commerce Committee, and I will therefore make my remarks as brief as possible. At the outset I may say that I am in absolute accord with the hon. member for South York (Mr. Maclean) in his statement that money is very scarce at all times and in all places, and I partially agree with him—though possibly from a different motive—with reference to the appointment of commission to take action before bank charters are renewed; I would have no objection to the appointment of such a commission, to consist of an experienced banker and a capable business man, with the usual lawyer to regulate the balance of power between the two, but I would disabuse the people of the country, and even of this House, of the impression as to what is being done in foreign countries with reference to banks and banking. Many hon. members seem to think that in some European countries the bankers loan money practically for nothing, at the same time making payments to the government. I cannot see how that can be, and I think anybody who follows the doings of the commercial world more or less closely will realize that money is like any other commodity, and conforms to the principles of supply and demand. Although it may be done to a certain extent, I cannot very well see how any government can entirely regulate the price of money. I do think, however, they might so regulate it as to provide that no greater rate of interest would be charged by banks in one section of the country than that charged by those in another section. If the legal interest of the banks of Canada is 7 per cent, I do not quite see why they should be allowed to charge 8 per cent, and even 10 per cent, in the West. In western Canada both farmers and merchants are struggling, I think, to a great extent, and there is no part of the country which requires cheap money. Although I am not entirely familiar with this phase of the question, I am sure the eastern merchants and manufacturers carry financially, a great many people in the West. But, to come back to my original contention, I say it is a difficult thing for the Government to definitely fix the price of money. In New York the price of call money is, I suppose, about 2 per cent on an average, and I have known of its going up to 20 per cent and even 60 per cent on the New York market. It must be remembered that if men want it and are willing to pay for it, it is a difficult matter to prohibit them from doing so.

There have been many references in this debate to general conditions in Germany. We hear every now and then of the German war scare and the German naval scare, but greater than these, in my opinion—and, indeed, of more frequent occurrence—is the scarcity of money in Germany. Some hon. gentlemen the other day stated that the German people loan money at 3 per cent and 3½ per cent, and pay a certain amount to the government as well, but it is well known that German banks charge as much as 6 per cent and 7 per cent. I do not know anything that is a greater scare to the banking interests, and the money interests of Europe, than the German money scare. So I do not think my hon. friends have got quite the right notion of the German banking system or some of these other banking systems. As a matter of fact, if the governments of Switzerland or Germany or Denmark or some other countries in Europe are willing to loan to certain interests in those countries, such as the agricultural interest, money at a certain rate rate of interest for a certain purpose, it is no more than we do, or perhaps not quite as much as we do when we continually make grants for nothing to many interests. Only the other night a proposition was introduced by the Minister of Agriculture to make a free grant to agriculture for a certain amount of money without any interest. A commission such as

was suggested the other night by the hon. member for South York, might do away to a very large extent with the erroneous views held by many of us on these questions.

In reference to section 88 of the present Banking Act which was severely attacked by the hon. member for North Ontario, I am in favour of section 88 being retained. I doubt if any of us realize the amount of benefit to the manufacturing world of Canada that the bankers do under section 88. There are few manufacturers in this country who have means enough of their own to carry on their own business. Some old established and well regulated and rich concerns are in that position, but very few. Under section 88 of the Bank Act, a great many manufacturers are practically carried by the bank and no harm is done. So far as my knowledge is concerned, a great many of them do not owe to anybody else except the bank; they pay absolute cash as they go along and borrow their money from the bank. There are, of course, instances where people are beaten when they have trusted people who are covered by section 88 of the Bank Act, but how many instances of that kind are there in proportion to the number of cases where no trouble arises? We cannot pass legislation that will cover all cases. As to the extension of the provisions of that section to farmers, I have sufficient faith in the bank managers to think that they will be careful when they lend under section 88 of the farmers either on grain or stock. My experience is that the farmers in my section of the country can get money from the banks cheaper than the merchants or manufacturers; that there is no trouble for the ordinary farmer, if he has the least bit of character, to get what reasonable money he requires for his purposes. The minister very properly said that banking, after all, is carried on largely as a matter of faith. If a man has not a reputation for responsibility and honesty it would be very dangerous to force a banker to supply him with money and if the banks will not loan to a farmer—I am now only speaking of my own experience in my own section of the country—I do not believe anybody else will. I do not think we can force any banking system to loan money to people who are not worthy of credit and the farmers in my section are not imposed on by any manner of means, either as to the interest charged them or the amount of money loaned.

My hon. friend from North Ontario spoke of the smaller banks. His complaint was that the banks are becoming a monopoly. In how many cases have banks been amalgamated within the last ten years that it was not a benefit in place of an injury to the community? If you can name one I will be satisfied that I am wrong in thinking that every case of amalgamation within the last ten years has been a benefit. The hon. member for Carleton, New Brunswick, told us of one case of a bank that could not possibly have lived unless the Bank of Montreal had come to its rescue. We all know the case of the Ontario Bank. One hon. member suggests that banks should be required to come to Parliament for sanction for an amalgamation just as they do to get a charter. In the case of the Ontario Bank, if the Bank of Montreal had not taken it over that morning there might have been great loss to the people of Canada. The Bank of Montreal took it over root and branch and the morning they took it over had their notices out saying they would pay everything that came.

Mr. EDWARDS: How much did they pay for it?

Mr. NESBITT: I do not know, I have no doubt they lost money. I do not think any investigation would show that the Bank of Montreal did not lose in the transaction from a purely money standpoint. I am not supporting mergers unnecessarily, but I am saying that we should be careful in our views of these things, we should not be prejudiced. It is all right to say I am hard-up and the bank should give me money. I started by saying that I was in great sympathy with the hon. member for South York when he said that he found money always scarce in every place.

Mr. MACLEAN (South York): I did not say that.

Mr. NESBITT: Then I will take that back immediately, but personally I have always found money very scarce in every place I have ever gone.

Mr. MACLEAN: I think I did say that was the experience of the country.

Mr. NESBITT: But that does not prejudice me on the main question that the banks should be forced to loan money to everybody who wishes it.

Mr. MACLEAN: The hon. member asks for an instance in which an amalgamation of two banks was not in the public interest. I do not think it was to the public interest of Canada or of Ontario that a great bank like the Traders Bank should be merged as it was with the Royal Bank, of Montreal. If more of these took place it would be inimical to the whole country.

Mr. NESBITT: Does the hon. gentleman know absolutely that it was not a good thing for this country that the two were merged?

Mr. MACLEAN: It was not a good thing. It lessened the banking competition in the country.

Mr. NESBITT: How does the hon. member know it was not a good thing?

Mr. MACLEAN: It lessened the opportunity of the public to get money and the hon. gentleman has already admitted that that is the great need of the country. There is one less place to go for money.

Mr. NESBITT: I was a customer, with one of the institutions with which I am connected, of the Traders Bank and it did not lessen our opportunity of getting money one particle, in fact, they were a stronger, a larger institution and they could carry institutions and manufacturing industries that they could not possibly carry before.

Mr. SHARPE (Ontario): What about the agencies that have been closed up?

Mr. NESBITT: Well, what about them? It just threw three or four clerks out of employment, may be, and I have no doubt that every one of them is employed somewhere else. The places where they closed their offices down lost nothing because there were probably more banks at these places than there was any necessity for. I do not think that it was necessary to have three or four banks in a place in order to have competition any more than it is necessary to have three or four railways. We hear of towns scrambling about and making great exertions to pay a bonus to bring three or four railways into a town and when they have them do the railways lessen the freight rate?—not at all; they dare not lessen it.

Mr. SHARPE: Why?

Mr. NESBITT: Because there would be a rate war.

Mr. MACLEAN: Bring on your war.

Mr. NESBITT: You people who want to live by war are very brave but you cannot do business on war principles. It has to be on a peace basis.

I want to say a word about what the hon. member for North Ontario said with reference to a bank doing business with a capital of $100,000. If you will read the history of the failures of banks in Canada and the United States you will find that there have been less failures and very much smaller losses in Canada than in the United States. They are not all private banks in the United States but there are certain banks attached to a certain town. A bank may have local sympathies and do the best it can to support the town in which it is located but I have been told by many persons who were interested in many industries which have been brought over from the other side that there is no comparison as between the way the banks of Canada carry their customers along, no matter how far they are from the centre, and the way the banks carry them along in the United States. I have known several men who have come here and who would not believe that they could be carried by the banks as they are carried by them in the manufacturing business. With reference to a bank with a capital of $100,000, we all know that the tendency of banks is to do business up to their full capacity, including their capital and their deposits. Supposing there was a bank in a town with a capital of $100,000 and deposits of $100,000 and it was carrying two or three industries, it would carry these industries, which would naturally want to expand, to the full extent of its ability. But when the pinch comes the bank has already invested in these industries and it is utilizing all the money that it has control of. Then to whom has the industry to go?—to the large corporation. These large banking corporations are very much like the large insurance companies in one respect. If it were not for the fact that the great English fire insurance companies are doing business all over the world they could not carry the risks they do in this country for the simple reason, that while they are losing money here, they may be making money in England, Australia or Egypt. It is the separation of their interests, the general average, that allows them to carry these risks. A bank might have a large amount in deposits in Woodstock and loan it in Toronto, or Red Deer; but deposits are greater in other places and in this way you have a general average. I do not believe in the small bank principle.

Another question is that of inspection. I hesitate to discuss this Bill or to make any suggestions because it is a most important thing in this country. The banks of Canada have done a great deal of good. They may have squeezed some people. I know that many times I have cursed them when I could not get any money out of them but it was probably for my benefit, therefore, I approach this inspection question with a good deal of hesitation. I would suggest to the Minister of Finance that before a bank is given a certificate, greater care should be taken to satisfy himself as to the bona fides of the parties. I know that he has amended the provision with reference to the issuing of the certificate, that he has taken a little more power to the Treasury Board, but while the law contains a good many more words there is not a very large extension of the powers of the minister under sub-clause 3 of section 15. I would recommend to the minister that there should be, in connection with the department an inspector who had been a very highly trained banker and that no certificate should be given till the bona fides of all subscriptions had been carefully looked into and not only that but that no

certificate should be given until the character of the men who asked for the charter had been carefully investigated just the same as a banker looks into the character of a man who is asking for a loan. Then, if the minister and his inspector were not satisfied as a result of this inquiry he should be empowered to refuse the certificate. I will leave that inspector there for a moment because I want to bring him in again a little later on and go into the question of the inspection of banks.

A word or two with reference to the inspectors. My hon. friend from Middlesex the other day made what I thought a very admirable speech on this Bank Act and he recommended that, as with the currency issue, the banks should put up a certain amount of money for the security of depositors. There is an average of $650,000,000 of deposits. Those are what are known as savings bank deposits, and there are in addition sufficient current deposits to bring the amount up to a thousand million dollars. I do not suppose that anyone would ask that depositors on current account should be secured, because, as a matter of fact, the depositors simply place the money in the bank for their own convenience. But as to savings bank depositors, there is a good deal to be said in favour of their having absolute security because, as will be seen if you compare the current loans with the deposits, business is largely conducted on the strength of these deposits. It is quite possible, as the minister says, that if the security of all the banks is put up, that might lead to reckless lending by some of the banks. I have had a number of representations made to me, urging that the Government should charge the banks for their issue and I do not think any very great hardship would be entailed on the banks if we require them to put up with the Government an amount equal to five per cent of their deposits as a guarantee fund. It is not likely that a bank such as the Bank of Commerce or the Bank of Montreal, would fail to the full amount of its deposits, and the thirty millions or thirty-five millions thus secured would, in my opinion, be ample guarantee. I would not ask that this guarantee fund should be put up in gold and the amount withdrawn from circulation; I would be satisfied with the depositing of securities satisfactory to the Treasury Board. I doubt very much if an inspection such as that provided for in the Bill by the Minister of Finance would be at all satisfactory. Everyone who has experience of board meetings knows that three or four people absolutely control the proceedings at a board meeting, and that a great many of the shareholders really do not know what is going on; motions are made and everything done in a cut and dried fashion and most of the shareholders leave without really knowing what has been done or how it has been done. I am thoroughly convinced that some solution for a proper inspection will have to be found other than that provided in the Bill. I would suggest as a better plan that the Bankers' Association should appoint an inspector and that the inspection be done on the instruction of the association. I believe that by this means the Bankers' Association would take good care that there was no wildcat speculation with deposits on the part of any member of the association. This may not be the best plan and some may be opposed to it, but it certainly is a better plan than that contemplated by the provision in the Bill. Then if the general inspector appointed by the Bankers' Association made some ruling which some particular bank was not satisfied with, that bank would have the right to appeal to the Department of Finance and the government inspector would step in and give his decision. When the Minister of Finance was speaking I put a question to him about government bank inspection and his answer convinced me that it was almost an impossibility for the Government to undertake this inspection with any hope of success. You may send your government inspector to the head office, and after he has got through you do not know whether your inspection is sufficient or not; if there is anything that wants to be hidden they can easily send it to the branch offices. My hon. friend from South York advocates a national bank and that the currency should be issued by that bank. That, of course, is a complete change from our banking system in the past, and for my part I have not been able to consider it sufficiently to pronounce an opinion upon it, although, it may be, that it would be a good thing. In Germany they have a national bank, and they are allowed to issue a certain amount over and above their capitalization, but my study of German finance for the last 15 or 20 years has not caused me to be a worshipper of the German system; quite the contrary. I have a similar opinion about the United States banking system; their currency issue is not elastic enough, and they are frequently in serious trouble. Taking the Canadian system all around, I have yet to learn of any system, that in cases of great money crises has stood up any better than the Canadian system; although there are little things that probably could be greatly improved.

Mr. MEIGHEN : What defect does the hon. gentleman find in the German system?

Mr. NESBITT: It would take me all afternoon to explain that system, but, when we are considering this Bill in Committee,

I will be ready to present my views on it. No country in Europe has as many money crises as Germany has. No country in Europe has such scares in the money market as Germany has every few months. There must, therefore, be something wrong with their system, because we do not have such scares here. That is one answer to the people who want money, volumes of money. We all want volumes of money; but the easier it is to get it, the less it will buy. Some scientific man in the States is now advocating the putting of a fixed value on gold; he says that gold has got too plentiful; he is like my hon. friend from West Toronto who said the other day that everybody had lots of money. He is only judging by himself; he has got lots of money; but a great many people have not, and there are more who have not than there are who have. With reference to deposits, I have thought seriously over that question for a long time, and I really think we have got to find some means of protecting the depositors. We must also find some means of satisfying the people as to inspection. If the present Minister of Finance and his successors in office will use their right to properly investigate a bank's organization before issuing a charter, they will prevent the crises that may occur in the first part of the life of a bank. We talk about the money banks make, and they do make a great deal of money; that is why I think they will not be bearing any great burden, if they do put up a certain amount of money for the security of the depositors. Although banks make a great deal of money, no bank that I know of made any dividends during the first three or four years of its existence. Some of those banks, which have been recently organized and which are paying dividends, perhaps should not be doing so. I know that banks are very conservative and I think properly so. Banking is a serious undertaking; a good many people think they are born with a special dispensation from Providence to be bankers; but Providence sometimes does not agree with them, according to our experience. As regards the interest, in spite of what has been said by my hon. friend from Toronto, for whose views I have the very greatest respect, it seems to me as though bankers could pay more interest on deposits. If there is elasticity with respect to what they charge for loans when times become hard, then there should be elasticity with respect to what they pay for deposits. That is the simplest thing in the world to fix; if the Government is satisfied that the banks are not paying enough at three per cent, all the Government has to do is to pay three and a half per cent; that will fix the matter in about a minute. Money has been very tight during the last three months. I am not speaking of my own experience alone, because everybody knows that that is so, except some of my hon. friends on the other side, who have got money to burn. I know of no place where you can get money for less than five per cent and only a few places where you can get it at less than six per cent. I think in some of the banks they are charging seven per cent for small loans. Of course a bank has a proper right to charge a little more on petty loans than they do on large loans. Where a man borrows a large sum of money, I think he should get that money somewhat cheaper than a man who wants to borrow $50 once a year or once in two years, and that only for a few months, because the banks have to make entries in their ledgers, which take up clerks' time and ledger space. As to the interest charged by banks, I must once more reiterate that if the legal interest is seven per cent, it should be seven per cent. I do not think that the West should be charged any more than the East. That is a grievance I have against the banks which I see no way of remedying. If a man is a manufacturer in a small town, he may be just as big a manufacturer as some of my hon. friends in the cities, but he has invariably to pay one per cent more interest than his city competitor, who is close to the headquarters of the bank. That I think is absolutely wrong. It gives his city competitor who is in touch with the head office of the bank, an advantage over the town man that he should not have, because those banks gather together their great loaning facilities from all over the country.

Mr. EDWARDS: Is not that a contradiction of your former statement that small loans should pay more interest?

Mr. NESBITT: No, I do not think so. I may be wrong you know; I am generally wrong; I mean to say that when I try to buy stock I am generally wrong. I do not think there is any conflict there. A vast difference exists between petty loans of $25, $30, or $50, which people often have to get, and big loans of a regular borrower. I am quite sure my hon. friend can see that. If my hon. friend is manufacturing in Toronto a certain line of goods, no matter what that line of goods is, and has occasion to borrow $2,000 from the bank; and I am engaged in the same line of business in Woodstock and I have occasion to borrow $2,000 from the bank, if he can borrow that money in Toronto at one per cent cheaper than I do, he is getting an advantage over me. I do not see how it is to be prevented; but I say that it is unfair.

In hard times like 1907 and 1908, when a man went to a bank and said he wanted $50,000, the bank said that he could not have $50,000, but would have to take $25,000 or $30,000. I give the banks all credit for wisdom during that crisis, but it is the city fellow who gets the loan first. Even when money is tight, a city man is allowed to go on with his business and buy his supplies just as freely as he was allowed to do so when times were better; but the town man is cut off to a large extent. I am not saying that the banks throughout the length and breadth of this land do not carry their customers. I think the big institutions like the Bank of Montreal or the Bank of Commerce and others carried their customers through the crisis of 1907 with credit not only to themselves but to this country. I think they deserve credit for doing it. They did not give them all the money they demanded, but carried them through to a great extent. In some cases, of course, they cut their heads off. And that is another thing in which I do not agree with the banks. Say a man has a line of credit from a bank, and the bank happens to change officials—it may be the inspector, it may be the local manager, or the general manager. The new official does not agree with the policy of his predecessor with regard to this client. But the man who has been given the line of credit has bought accordingly, has made his calculations based upon this line of credit and has arranged his business, it may be extending throughout the whole Dominion, upon that condition. The new official says to him: You must reduce your account. He cannot very well do that especially if this demand comes at a time when money is scarce as it was this fall when the banks were keeping their money to move the crops. How is a man going to move his account to a sister bank when that bank also is saving its money to move the crops. There is an undoubted grievance against the banks. I do not know how the Minister of Finance can rectify that. But at the same time, some day, it will re-act upon the banks, because this is a real and a serious grievance. The banks have no right, in my judgment, after having given a line of credit, after having let a man believe that he will have it running a year or so, to order him to make up his overdraft. Such a thing may place him in a very dangerous position.

Now, I have a word to say which, I am quite aware, will seem like party politics. We have no right, I suppose, to apologize for party politics here. But at the same time, this banking legislation is a subject in which party politics should appear as little as possible. Speaking of the depositors, I would like to ask the Government one question: What are they going to do with the depositors of the Farmers Bank? During the election campaign of 1911, certain candidates, including members of the House and the Government, promised the people that if their party was returned to power they would pay these depositors. There is no doubt about that. The gentleman who ran against me was one of these. My right hon. friend the Prime Minister, for whom I have the greatest respect, and also the present Minister of Trade and Commerce, were in that riding; I do not say that these gentlemen made the promises, but I do say that their candidate made such promises at every place at which the Farmers' Bank had been established. And, of course, as gentlemen of such high standing being there to back up their candidate— though the candidate may have had no more authority from them to make the promise than had that pillar—the people took it for granted that these gentlemen endorsed what the candidate said. I am not complaining of people who voted against me on this ground; people have a right to vote as they please. But there were cases of great hardship. There were men who had put every dollar they had in the world, practically, on deposit in that bank. And there is where the one difficulty of this banking question comes in. If I may be allowed to digress for a second, I would like to say that I think we should take pains to inform the public by newspapers or in some other way, that the Government does not guarantee chartered banks any more than they guarantee any other institution. It ought to be possible to do away with a good deal of false thinking on this subject and show the people what banks really are. I have talked with people who believed that if they put money into a chartered bank the Government was responsible for that money, and you could not make them believe anything else if you talked to them from then until now. If these men who were candidates throughout that section had no authority for making that promise, then it was a piece of cruelty to these people to let them believe that if the party now in office were given power they would pay back these deposits. I am not talking now for party advantage; I am telling what I absolutely believe. But here another question arises. If the assets of a bank are not sufficient to retire circulation, then the deposit of five per cent must be called upon. Seeing that there is this money for the retiring of the circulation, would it not be better in a case like the Farmers' Bank to allow the other assets, if it could be done, to be used to pay the depositors? Of course, I do not know what the assets of the Farmers' Bank will yield, nor will the Government know until the report of the liquidator is made. For my part, I think that,

though it may be contrary to the usual procedure, if the Government instructed their candidates to promise that these depositors would be reimbursed, they should be reimbursed.

Mr. SHARPE (Ontario): I understand the hon. gentleman (Mr. Nesbitt) to say that certain members of this House representing constituencies where branches of the Farmers' Bank were instituted made promises to their constituents. Does he refer to me as in that category? Because I wish to say to the hon. gentleman and to this House that I made no promises, directly or indirectly, to my constituents that they would be reimbursed if the Conservative party were returned to power.

Mr. NESBITT: No, I did not refer to my hon. friend (Mr. Sharpe, Ontario). I knew nothing about his campaign.

Mr. EDWARDS: Would the hon. gentleman make it plain also with regard to myself? I had a branch of the bank in my county.

Mr. NESBITT: I do not wish hon. gentlemen opposite to consider me discourteous to any of them. I was not referring to these gentlemen particularly.

Mr. SHARPE: You said they were members of this House who had promised.

Mr. NESBITT: I have so understood, and the newspapers so reported. Certainly, as to one member of this Government, every newspaper, on the other side of politics and on his own side, reported him as having made that statement.

Mr. MORPHY: I desire to ask if the hon. gentleman referred to me, as I represent the adjoining constituency to his.

Mr. NESBITT: Mr. Speaker, I do not wish any of these hon. gentlemen to think that I intended to be discourteous to them. If they did not make any such promises as I have referred to, they will not have guilty consciences. As a matter of fact, these hon. gentlemen who ask me if I included them, were members of a deputation to Judge Meredith, at the investigation of this bank, and asked that this be done.

Mr. SHARPE: The hon. gentleman is absolutely mistaken. We did not recommend a reimbursement.

Mr. NESBITT: The hon. gentleman certainly did when he was on this side of the House.

Mr. SHARPE: All the motions were for an investigation.

Mr. MORPHY: I would like to have a direct answer to the question I put to the hon. gentleman.

Mr. NESBITT: The hon. gentleman need not worry; the people of his constituency know whether he promised it or not.

Mr. MORPHY: Will the hon. gentleman vote for the repayment of these unfortunate depositors of the Farmers' Bank if the vote comes up in the House.

Mr. NESBITT: The hon. gentleman, I understand, asks me if I will vote for the repayment—

Mr. MORPHY: The hon. gentleman is sparring for wind.

Mr. NESBITT: I would ask the hon. gentleman, in the words of the schoolboy, not to get gay. The hon. gentleman asks me if I would vote for the repayment, and I tell him I certainly will. Will my hon. friend vote for it?

Mr. MORPHY: I would certainly be so inclined, if there is negligence proven in connection with the issue of the certificate.

Mr. NESBITT: I did not expect to become involved in a controversy in connection with this matter, and I apologize for its occurrence. Any further remarks I desire to make with regard to banking I shall reserve for the Banking and Commerce Committee, but I would like to suggest to my hon. friend, the minister, who is responsible for this Bill to consider my suggestion regarding inspection, so that he may arrive at something with reference to the matter. We are, after all, but representatives of the public at large, and should see that the bankers accommodate the public to the best of their ability, and that the public is protected in every possible way.

Mr. BORDEN: I desire to say a few words with regard to the very important Bill which is now under discussion. I entirely agree with my hon. friend from North Oxford (Mr. Nesbitt) that it is the duty of this House to give every possible protection to the shareholders, the depositors, and the general public, in the measure which the House will be called upon to pass after it has been referred to the Banking and Commerce Committee. A great many of the questions which have been under discussion in this debate can be more effectively considered there than upon the second reading of the Bill.

The banking system of Canada since 1867 has, on the whole, been a successful one, and it has been so regarded by men of high standing and ability who have come here from abroad for the purpose of studying it. Some three years ago, when the commission from the United States which investigated the banking systems of the whole world, with a view to the possible establishment in the United States of a great central or national bank, came to

Ottawa and other Canadian cities, and made an investigation of our system, I asked the opinion of two of the gentlemen composing the commission with regard to the Canadian system as adapted to the conditions of our country, and the stage of our development. I found them very appreciative of our system. It commended itself to them for the reason that with a minimum amount of capital we were doing a maximum amount of business. The system encourages elasticity and fluidity, it enables the national capital to be utilized in different parts of the country and for different purposes as the needs of our national development from time to time demand. In a country like Canada, where the first essential to progress and development is a sufficient amount of capital, the utilization, in the most economical, efficient and elastic manner, of the available capital is obviously a matter of the greatest importance. The modern business system, as everyone knows, is largely conducted by means of credit, and not through the actual use of ready money. The banks of Canada, as well as those of other countries, being very largely the instrument by which the credit of the country is made available, the success of their use as such instrument depends very largely upon the confidence of the people in the stability of our financial institutions. Banking is a business carried on for the purpose of affording a reasonable return for the money invested in it, and it cannot be expected that people will invest money in banks unless they get at least a reasonable return. A good deal has been said about the enormous profits the banks in Canada have made, and I think it would be well if my hon. friend the Minister of Finance would have a statement compiled which would make clear the actual facts in that regard. I am not prepared to give them at this moment, but I do know something of one institution with which I was at one time connected—a bank which has been making very considerable issues of capital stock during the past ten or twelve years, and which has a reserve fund of about $8,000,000. I venture to say, without having made any careful investigation into it, that about 80 per cent of that sum of $8,000,000 has been paid in by the shareholders themselves in cash during the past ten years, and yet hon. gentlemen in this House have repeatedly alluded to the supposed fact that $106,000,000 of bank reserves in Canada have been built up out of the profits of the banks. Any such statement is quite inaccurate. I was alluding to a bank of which I have some knowledge and I venture to say that out of the reserve fund of that bank, $6,000,000 have been paid up in the last twelve years in hard cash by the shareholders themselves. I further believe that no shareholder in that bank during the past twelve years has received on an average more than four and a half or four and three-quarter per cent on his investment. It is therefore idle for hon. gentlemen to make the statement made, I have no doubt in good faith, that persons who have invested money in banking institutions in Canada have been receiving a return of ten per cent and even fourteen per cent. The facts do not bear out any such contention. I think it would be well for the Minister of Finance when the Bill goes to the Committee on Banking and Commerce to have a statement prepared showing how much of the $106,000,000 of reserve now standing to the credit of the banks in Canada has been paid in actual cash by the shareholders themselves and how much of it really does represent profits made by those banks in the course of their business.

I shall not deal with many subjects that have been brought up in this debate because, as I have said, I think these questions can be discussed and decided in the Committee on Banking and Commerce more effectually than on the second reading. Reference has been made to the desirability of establishing in Canada some great central bank formed by uniting three or four of the larger banks in Canada. I am not inclined to believe that there is any present necessity for that. We have, on the one hand, suggestions of large amalgamations of that kind carried on under national auspices and on the other hand we have the suggestion that there is too much amalgamation of banks. It is possible that the amalgamation of banks in Canada might be carried to excess while it is obvious, as has been pointed out by the hon. member for North Oxford (Mr. Nesbitt), that you may gain competition at the expense of strength and security. We must proceed carefully in dealing with that important consideration.

Then with regard to the inspection and auditing of banks and more particularly of the head offices, it has been said with truth, that the frauds that have been committed in connection with the banking system of Canada have largely arisen in the head offices. I agree that every reasonable means which can be taken for the prevention of these frauds and, further, to ensure the absolute observance of the Act by the banks of Canada ought to be taken by Parliament. Various suggestions have been made and I think it would be desirable to get a clear idea of what has been suggested and the methods by which the suggestions might be carried out. Suggestions have been made which would point to the control by the Government of this country,

through the Department of Finance or the Treasury Board, of the actual operation of the banks so far as the management of their business is concerned. It has been suggested that some such control should be exercised as would dictate to the bank as to whether it should lend any amount, and if so what amount to a particular person or whether it should lend to that person at all, or whether it would call in its loan at a partcular time or make a loan to a particular person upon security of a certain character or without any security. Everyone who has considered the subject of banking knows that in respect of the granting of credit a great many considerations come into play. It might be safer for any bank in Canada to lend $100,000 to a young enterprising man of excellent character and ability, endeavouring to make his way in the world without capital or with very little capital, than to lend it to a man of a very different character who might be assumed to be worth $150,000 or $200,000. These matters must, in the ordinary course of affairs, be left to the judgment of those who have been placed in charge of the operations of the bank by the shareholders, the men who have provided the capital to carry it on; and it would be casting an impossible burden upon those responsible for the administration of public affairs in Canada to ask that they should undertake the management and control of the banking system of Canada in any such sense as that. One cannot see where any such control should stop or even where it should begin. It seems to me that following the practice and usage of English-speaking people from time immemorial, the management of the affairs of the bank, so far as it concerns the interest of the shareholders themselves, must be left to the directors and officials of the bank, subject to the qualification that there ought to be some reasonable precautions taken in the interest of the general public, of the depositors, to prevent frauds so far as they can be prevented by legislation and also to ensure the carrying into effect in every way of the provisions of the Bank Act.

I do not know whether I have been able to express very accurately what is in my mind, but it is along that line, it seems to me, that this House and its committee ought to consider any amendments to the Bank Act. My friend the Minister of Finance has already stated in presenting this Bill to the House that he did not understand that this measure, to which he has devoted a great deal of time and thought, is the last word on the subject. On the contrary, he has asked that this House shall refer the Bill to the Committee on Banking and Commerce for the purpose of having all these matters thoroughly considered and debated as they ought to be considered and debated in respect to so important a subject. I have spoken of the purpose. The purpose on the one hand might be the undertaking by the Government to manage, in effect, the affairs of all the banks of the country, or to sit, through its officers and experts, as a court of appeal which would over-ride the judgment of the directors or officials of the bank. That seems to me an impossible task. But the other purpose is entirely reasonable and feasible; it is to conduct such an examination of the affairs of the bank as would prevent fraud and would insure the thorough carrying out by the bank of the provisions of the Bank Act. Those are the two purposes and it seems to me that the purpose I have last set forth is the purpose to which the efforts of the House and of the committee ought to be directed.

There has been a good deal of debate as to whether the examination or audit should be by auditors or experts appointed by the shareholders or by officers appointed by the directors. The expression, 'Government inspection,' has been used very often in the course of this debate. It is desirable to have a clear conception of what we mean by that. Do we mean the purpose to which I called attention, in the first place, or do we mean the purpose to which I last called attention? Obviously it would be idle for the Government through any officer it might appoint, to attempt the first purpose. Coming to the second purpose, it is desirable, in regard to a subject of this importance, to leave that inspection, more particularly the inspection at the head office of the banks, which most thoughtful men in this country agree to be desirable, to the action of the shareholders themselves, or is it of infinitely greater advantage that that particular examination, or inspection, or audit, whatever you call it, should be conducted by officers appointed by the Government? There is at the present time, in various countries of the world, something that is called government inspection. I am not as familiar as some hon. gentlemen in this House with the methods by which that inspection has been carried on in Germany, France and Sweden. I think these countries have been referred to. The example of the United States has been alluded to, but I do not think the experience of the United States in that regard has been a very reassuring one. My hon. friend and colleague from Halifax (Mr. Maclean), who has looked into this subject with a great deal of care, mentioned in debate the other day that during the years from 1890 to 1907 more than 350 national banks in the United States had gone into liquidation, notwithstanding the government inspection.

Mr. BRODER : Does he mean state or federal banks ?

Mr. BORDEN : The hon. gentleman was alluding to federal banks. I will give the exact figures which he gave and I assume they are accurate, because the hon. gentleman informed us that he had made an investigation of the subject. He said that from 1800 to 1909, 369 National banks closed, of which only 18 were restored to solvency, giving an average of over 19 a year. During the same period 1,376 state banks closed their doors, or an average of over 72 a year. Of course, many of these banks are very small, but my hon. friend went on to state that the average annual loss to the depositors from the failure of these banks had been no less than $11,000,000. It is abundantly evident therefore, from the figures which my hon. friend gave, that the system of government inspection which prevails in the United States does not offer a very complete safeguard to depositors in the national or state banks of that country. These figures speak for themselves, and I need not urge that point. I endeavoured to make a little independent examination with reference to what my hon. friend said. I am informed by the officers of the Department of Finance that from 1863 to 1912 at least 500 national banks in the United States have failed, and that a very large number—I think it ran up to 2,000—state and private banks had closed their doors.

What is proposed by my hon. friend the Minister of Finance? He proposes what, in effect, Mr. H. C. McLeod, at one time general manager of the Bank of Nova Scotia, proposes—that there should be an external audit of the head offices, more particularly because it really would be impossible, under our banking system, to make an audit or examination of all the branches of the Canadian banks as they are so very numerous. He proposes an external audit and he proposes that the auditor shall be appointed by the shareholders and that they shall not be appointed by the directors. The objection is made that shareholders do not attend meetings in this country, that they attend meetings less frequently and less carefully in this country than in other countries . There may be something in that, they may be more scattered, but I venture to think that the proposal that my hon. friend the Minister of Finance has submitted to the House could be so moulded if necessary as to absolutely ensure that men above reproach, and without any suspicion whatever of collusion with the directors of the bank, would be appointed at the annual meeting for the purpose of inspecting the head office during the then ensuing year. If you can ensure an efficient external audit by legislation it seems to me more desirable that the external audit, which everyone admits to be necessary, should be made by the persons who themselves are, in the first place, responsible, and, in the next place, interested. The shareholders of the bank supply the capital. The public make their deposits; it is true that the public have an interest, but the shareholders in respect of the safety of the moneys of the bank have surely not only the first interest but the chief responsibility. The practice and theory of banking institutions in this country, in the United States and Great Britain, from which we derive our practice in that regard, has been to impose the responsibility and the control upon the individual himself except in so far as the public interest might otherwise demand. Every bank in Canada has a pretty thorough system, in so far as I am aware, of examination and audit of its branches. The large banks in Canada have an army of inspectors who are continually engaged in no other activity than the examination—the very thorough examination of the branches of the bank. It would be impossible for the banks to carry on their business very successfully unless some system of this kind prevailed, but there has been a difficulty which has been pointed out on many occasions during the past six, eight or ten years that while this thorough examination of the affairs of the bank at each branch has been going on, there has been practically no audit at the head office. The directors themselves are supposed to make an examination of the bank's affairs at certain stated periods during the year, but the examination by the directors, even where it carried on with the utmost possible diligence and with the greatest capacity, cannot always achieve the proper results. I remember that one bank director, a man of very great ability, of very great business experience, told me that at the annual investigation by the directors into his bank he spent more than a week in an endeavour to satisfy himself that the statement by the bank to the public was correct and that no fraud had been committed. He gave his undivided attention to it for a week or ten days; he said in the end he could not be absolutely sure about it. Having regard to the enormous number of branches and to the opportunity given for collusion between the head office and the branches, an absolutely effective examination of the affairs of the bank at its head office, would, I should imagine, be a pretty difficult task. I do not believe there is any examination or audit, whether by Government or by private individuals, or any legislation that this House or any other House can pass, which would absolutely guarantee the public, or the shareholders, or the deposit-

ors, against fraud. We have had experience of the ingenuity, the new methods, which have been applied from time to time for fraudulent purposes, and I do not think you can get any absolute guarantee. But it is the duty of this House, and it will be the duty of the committee, to see that the best possible guarantee shall be secured, and that the best possible safeguards shall be provided.

So far as government inspection is concerned, it would be very unfortunate indeed if we should establish in this country something called government inspection which, after all, would not be a thorough inspection of the head office as well as of the branches. The Minister of Finance has pointed out the false security which would be created by an inspection of that character. If reasonable security can be obtained, and I believe it can by imposing this duty upon the shareholders themselves and by seeing that they perform it, that it seems to me would be the most desirable course. To relieve the shareholders from responsibility in respect of such a matter and to have it go through the length and breadth of Canada that the Government were undertaking an inspection which, after all, could not be the thorough and complete inspection which it would be understood to be throughout the country, would be a false legislative measure and would in the end, be productive of not good but of bad results. It is impossible, so far as I understand it personally, for the Government of this country to undertake a thorough examination and inspection of the head offices and of the branches of the banks in Canada. We must depend upon the banks themselves for some of that. So far as their head offices are concerned, let us have that inspection and audit which in the past has been wanting, but it is my suggestion, subject to such argument as may be brought to convince me to the contrary, that it would be far better to impose that duty and responsibility upon the shareholders themselves, so that, not only the branches of all the banks in Canada but the head offices of every bank shall be examined by thoroughly independent auditors, who shall have not only the right but the duty of reporting to the shareholders, and not to the directors, anything which they may find wrong in the affairs of the bank. It is along these lines I would suggest that the Bill be sent to the Committee at an early date, in order that all these questions may be carefully considered, and I trust a wise conclusion arrived at.

At six o'clock, House took recess.

After Recess.

House resumed at eight o'clock.

PRIVATE BILLS.

THIRD READING.

Bill No. 13, to incorporate the General Loan Company of Canada (as amended).—Mr. Knowles.

SECOND READINGS.

Bill No. 88, to incorporate the Canadian Accountant Association.—Sir Rodolphe Forget.

Bill No. 89, to incorporate the Canadian Medical Protective Association.—Mr. Chabot.

Bill No. 97, respecting the Canadian Northern Branch Lines Company.—Mr. Sharpe (Lisgar).

Bill No. 98, respecting the Canadian Northern Ontario Railway Company, and to ratify and confirm the purchase of a portion of the Carillon and Grenville Railway Company's property.—Mr. Currie.

Bill No. 99, respecting the Canadian Northern Quebec Railway Company.—Mr. Guilbault.

Bill No. 100, respecting a patent of the Honourable Ambrose D. Richard and others.—Mr. Fowler.

Bill No. 101, respecting patents of Frederick Jacob Newman and others.—Mr. Macdonell.

Bill No. 102, respecting the Niagara, St. Catherines and Toronto Railway Company.—Mr. Wilson (Wentworth).

BANKS AND BANKING.

Mr. BORDEN: Mr. Speaker, there are just one or two words I would like to add to my former remarks with regard to the present stage of this Bill. There seems to have been a misapprehension in the minds of some of the members of this House, that the banks enjoy some special privileges by reason of the decennial extension of their charters. It was observed that the banks had their charters extended for a definite period of ten years, during which they are not amenable to Parliament in any way. That is quite a misapprehension. If we should compare banks with other corporations, the distinction is this: the ordinary corporation has its charter absolutely for all time to come as long as it sees fit to exercise the franchise which Parliament has given it; banks are not in so favourable a position in that regard; their charters are extended for a definite period of ten years, and at the end of that period their charters cease to exist unless Parliament sees fit to extend them. It seems to have been considered by some hon. gentlemen that during the decennial period the

banks in some way and for some reason cease to be amenable to the control of this Parliament. That is a complete misapprehension. Parliament during the present session, may extend the charters of the banks for ten years, and may, as it usually does, make certain amendments to the law under which the banks exercise their franchise. There is nothing to prevent Parliament in such a case from amending the banking law the next year, or the next year after that. As a matter of fact, on many occasions during the past fifteen or twenty years the Bank Act of Canada has been amended at periods other than those at which the franchises of the banks were extended. For example, during the past fourteen years, the banking law has been amended in 1899, 1904, 1905 and 1908, on none of which occasions were the charters extended. I make these observations in order to remove the misapprehension alluded to, and for the further reason that some inquiry has been suggested into the banking systems of other countries and also into the method of state or government inspection which is said to prevail in other countries. My hon. friend from North Oxford observed, for the purpose of dispelling what he thought were illusions in respect to this subject, that it might be advisable indeed to have such an inquiry. There is no reason in the world why we should not inquire into the systems of inspection which prevail in other countries, if we should eventually come to the conclusion that something can be learned from the experiences of other countries in that regard. Any such consideration as that, however, would not interfere in the least with our extending the banks' charters at this stage; and would not interfere with our establishing a system of inspection by means of experts appointed by the shareholders, as the Minister of Finance has suggested. If that system were established and were carried on for a certain limited period, and, in the meantime we learned, by inquiry through a Royal Commission if necessary, or otherwise, into the experience of other countries, that some better system could be devised and brought into force in Canada, there would not be the slightest difficulty, in two or three years' time, or at any other stage, in amending the banking law of Canada, and so profiting by the experience thus gained.

Mr. W. M. MARTIN (Regina): This is an important question, as has been remarked by previous speakers. I do not believe that more important legislation could possibly come before this Parliament in any session. The Bank Act of Canada affects, perhaps, more of the plain, everyday people of Canada than any other law we have to deal with in this Parliament. I do not believe, however, in approaching the subject of the Canadian Bank Act in any revolutionary frame of mind. The banking system of Canada is one which has been developed from an experience, I suppose I am safe in saying, of forty or fifty years, or perhaps more. We have had at the head of our various banking institutions men whose names in the financial life of Canada, and probably in the financial life of the world, are beyond reproach. Many of these men are known to members of this House personally, and I think I am safe in saying, that, as a general rule, the Canadian banking system has been a credit to Canada. It has been a misfortune for us, however, that bad men have crept into banking, just as bad men have crept into all walks of life. And, as has been well said by the Minister of Finance and by other hon. members of the House, it is impossible to make legislation of such a nature that crooks cannot find a hole in it, cannot find a way to make it a means to defraud the people. I do not know what bank the right hon. the Prime Minister had reference to when he was speaking but I surmise, perhaps, he referred to the Bank of Nova Scotia. I do not believe that any member of this House should approach this question of banking on the basis that banks, properly managed banks in Canada, are not making money. If it was the Bank of Nova Scotia to which the right hon. the Prime Minister referred, it seems to me that the instance was rather unfortunately chosen from the standpoint of profits. There can be no doubt, from what I have heard from our Canadian banking institutions, that the Bank of Nova Scotia occupies a very high position. It has been a well managed concern, like the Bank of Montreal, the Canadian Bank of Commerce, the Imperial Bank and others I could mention. None of these banks are poor; all are making money as a matter of fact. I have here the statement of affairs of the Bank of Nova Scotia for the year 1912. I find that in that year the bank made a profit of $970,544 on a total capital of something over $4,700,000, an average profit of twenty-three per cent on its capital. I find also that the bank declared a dividend of fourteen per cent on its paid-up capital and put some nine per cent to reserve, which reserve now amounts to $8,700,000, as compared with the paid-up capital of $4,700,000.

Mr. RHODES: How about the reserve?

Mr. MARTIN: I thought I mentioned that. But to be exact the reserve amounts to $8,738,140.

Mr. BORDEN: Perhaps the hon. gentleman misunderstood me. The bank I had in mind was the Bank of Nova Scotia. What I said was that it was an error to imagine that the reserve of all the banks had been largely built up out of profits. The Bank of Nova Scotia has made vary large stock issues during the past twelve years. These stock issues have been taken up by the shareholders at 240, at 260, and even as high as 278. I was endeavourng to point out in this way that the reserve had not been built up out of profits but had largely come out of the pockets of the shareholders. As to the profits, if my hon. friend will take the capital actually invested, which is nearly $14,000,000 and not $4,700,000 as he suggests, he will find that there has been no such rate of profit as he states.

Mr. MARTIN. I realize the truth in the remarks of the right hon. Prime Minister in regard to the reserve of the Bank of Nova Scotia,—and, I suppose, the same applies to every well established bank—that a part of the reserve is realized by the sale of stock above par. I do not intend to argue that proposition. But the fact is that upon the paid-up capital they made a profit of 23 per cent and declared a dividend to stockholders of 14 per cent on the paid-up capital. While part of the reserve is realized from selling the stocks above par, there is also a large surplus which has gone into reserve. Practically every bank in Canada has huge reserve funds, and you must take into consideration, the fact—and it is a fact, if I am correctly informed---that a large amount of these assets of the various banks, their buildings and real estate holdings, are estimated in their annual statements at less than their actual value, and if you will allow for this it will probably offset everything realized from the sale of their stock above par. However, the point I desire to make is that the banks are making money. There is no use of any man coming here and saying they are not. And it is a good thing for Canada that they are making money; it would be a very poor indication of our business condition if our banking were not profitable. But, so far as making profits is concerned, a bank should not come before this House by means of men who are interested in the bank, and who seek to convince the people that the banks are not making a reasonable profit upon the money invested. The Canadian Bank of Commerce last year declared a dividend of 11 per cent; the Dominion Bank, 14 per cent; the Bank of Hamilton, 11 per cent; the Bank of Montreal, 12 per cent; the Merchants Bank, 10 per cent; the Molsons Bank, 11 per cent; the Imperial Bank, 12 per cent; and the Bank of Nova Scotia, 14 per cent. In view of these figures, I think the time has arrived when the depositors in these banks might well ask for more than 2½ or 3 per cent on the hard earned savings that they deposit in these banks throughout the Dominion.

There is another matter to which I wish to call attention. It has been mentioned in a rather vague way by some other members on either side of the House. I refer to the provision of the law with respect to the rate of interest that may be charged legally by the banks. I do not suppose one man in a thousand knows that the banking law of Canada contains, and has contained for years, a provision on this subject. I refer to section 91 of the existing Bank Act which also is incorporated in the Bill now before us:

> The bank may stipulate for, take, reserve or exact any rate of interest or discount, not exceeding seven per cent per annum, and may receive and take in advance any such rate, but no higher rate of interest shall be recoverable by the bank.

That section is absolutely inoperative in that part of Canada in which I reside.

Mr. MACLEAN (South York): What is the rate in other places?

Mr. MARTIN: It would be impossible for me to say what rate is charged in any other city in the province of Saskatchewan, but the rate of interest charged by the banks in Regina very often exceeds the seven per cent permitted by law. I would not venture to say what percentage of the money loaned in Regina is loaned at a greater rate of interest than seven per cent, but I know that the current rate to the average borrower is eight per cent, and this is because we have competition in banking. It has been argued on both sides of the House that competition in banking is not desirable, but I am rather inclined to agree with the hon. member for South York when he says that competition in banking is a good thing—and I will tell you why. Supposing a borrower obtains money in the city of Regina at seven or eight per cent, and the same borrower goes into one of the small towns in the province of Saskatchewan; what rate of interest is he compelled to pay? Eight per cent, nine per cent, yes even twelve per cent; for the reason that in these small places there is no banking competition.

Mr. CURRIE: Does the hon. gentleman speak from personal knowledge when he stated that the banks are breaking the law in the West, or does he speak from hearsay?

Mr. MARTIN: I may say that I have acted as solicitor for chartered banks in the West, collecting a rate of interest as high as twelve per cent per annum. If the

banks can show to Parliament that seven per cent is not a sufficient rate to enable them to carry on their business in Western Canada, let us amend this law so that they will get a sufficient rate to enable them to carry on their business and pay expenses. Until this is provided I submit this section should be put in such form as to cause it to be adhered to by all the Canadian banks. The last clause of that section says that no higher rate of interest shall be recoverable by the banks, but it does not say that no banker shall obtain or ask for a higher rate of interest. What is the result? The borrower goes to one of these banks to obtain such money as he may require for business purposes; he is asked nine, per cent, ten per cent, or even a higher rate of interest, and he must pay it, not having the opportunity of going to some other bank in the neighbourhood to carry out the transaction. In my opinion, that section should be to the effect that no banker or banking concern shall demand, ask for, or receive a higher rate of interest than seven per cent, or whatever rate it is decided to establish. As I have said, it is desirable that the banks should be in a position to safely carry on business, and it is important that they should be properly protected, in order that they, in turn, may properly protect the depositors.

I wish to refer for a moment to section 88. I know this is a controversial matter, but it does seem to me that when a bank is allowed, as under section 88, to take warehouse receipts as security, they should register them in the proper office in the registration district in which the business is transacted. An amendment extending this privilege is being added to the clause:

> The bank may lend money to a farmer upon the security of his threshed grain (of any kind) grown upon the farm.
>
> The bank may lend money to a rancher upon the security of his cattle.

That is a provision that will work out in exactly the same way. If a farmer in Western Canada gives a warehouse receipt as security for the advance of money, surely the bank, like any private individual, should be forced to register that warehouse receipt, or chattel mortgage, in the proper way. I do not anticipate that the banks, by reason of this use of the bill, will lend any more money to borrowers than before. Every farmer in Western Canada to-day who has cattle in his barn and grain in his granary, and is considered responsible by the banker, can get as much money now as he will be able to obtain after the passage of section 88 of this Bill, as amended, and I think those hon. gentlemen are labouring under a mistaken impression who consider this section is going to be a panacea for all the ills of the farmers of the West.

Mr. MARTIN (Regina).

Mr. WHITE (Leeds): Is my hon. friend in favor of dropping the clause?

Mr. MARTIN: I merely expressed the opinion that it would of very little benefit.

Mr. WHITE (Leeds): I understood my hon. friend to say it would be of no advantage whatever.

Mr. MARTIN: I would like to see this section tried, but I am expressing the opinion that the presence of this section in the Bank Act will not cause the bankers doing business in western Canada to advance money to any men to whom they would not make advances under former conditions.

Mr. RHODES: In advocating that these liens should be registered, does the hon. gentleman look at it from the standpoint of the bank, or of the borrower?

Mr. MARTIN: Neither from the standpoint of the banks nor the borrower, but from the standpoint of other creditors who may deal with this particular farmer. In the case of a loan made to a manufacturer in Eastern Canada, the manufacturer gets from the bank a line of credit to the amount of say $100,000. This month he obtains $15,000, and gives a warehouse receipt for that amount; next month he gets another $15,000, and gives a receipt for additional goods that have, perhaps, come into his warehouse since the time he got the last advance. The banks say it would be practically impossible on the payment of each amount, to go to the registry office and register the receipts. However, the difficulty I desire to point out, is that subsections 2 and 3 of section 88 of this Act are creating a bank security which did not exist before. A bank will advance money to a farmer on a warehouse receipt; some other creditor will deal with that farmer, and when the farmer's affairs are found to be subject to liquidation, the bank is able to step in and say: we own all this grain and all these cattle.

Mr. RHODES: Would not the condition of the bank be stronger if these receipts were registered?

Mr. MARTIN: If I understand the Bank Act as it exists to-day, the banks are not obliged to register these warehouse receipts. The registration of a public document is but a notice to the public of its existence, and, before giving credit, it is the duty of the people to search the registry offices and find out what kind of men they are dealing with.

Mr. BARKER: I understood the hon. gentleman to say that as solicitor for one of the regular chartered banks of Canada, he had collected loans made by that bank at 12 per cent per annum. Have I understood him correctly?

Mr. MARTIN: I referred to my acting as solicitor for certain banks—more than one bank. I said that, acting as solicitor for certain banks, more than one bank——

Mr. BARKER: Did I understand the hon. gentleman correctly that he said he was a solicitor for one of the chartered banks of Canada and as such had collected 12 per cent per annum on loans made by that bank?

Mr. MARTIN: I do not know why my hon. friend needs to worry so much about this. I have acted as solicitor for more than one chartered bank, and for more than one chartered bank in western Canada I have collected notes bearing interest as high as 12 per cent per annum.

Mr. LANCASTER: Perhaps the rate of interest was fixed by the person who sold the notes to the bank; it may not have been a loan by the bank.

Mr. MARTIN: I am considering cases where the bank charged this rate of interest, direct loans from the banks to the individuals.

Mr. CURRIE: Were there two names on the notes, or one?

Mr. MARTIN: I am not here to be cross-examined by all the representatives of the banks sitting on the other side of the House.

In referring to the question of bank inspection the Minister of Finance, at page 1901 of 'Hansard,' set forth two difficulties which he said were in the way of Government inspection. He said:

> As to these difficulties, the chief are the two I have mentioned: in the first place, the impossibility of government auditors pronouncing upon the character of current loans and discounts; in the second place, the immense number of branch banks which would have to be inspected, necessitating not only a very large staff even for audit but, to be absolutely effectual and scientifically correct, an audit practically upon the same day. I may say that the branches of the chartered banks in Canada have increased since 1900 at the rate of about three or four a week. In 1890, the number of chartered banks in Canada was, I think, only three or four hundred. That was the position upon the occasion of the last revision.

And then further on, at page 1903, he said:

> In the bank failures that have taken place in Canada, it will be found that the inspection system of the banks—that is, their internal audit system—has worked fairly well, because the fraud and dishonesty which have wrecked Canadian banks have been generally—always, so far as I know—not at the branches, but at the chief office of the bank.

I submit that the last statement made by the Minister of Finance that the fraud and dishonesty always occurred at the head offices of the bank, almost defeats his argument when he said it would be almost impossible to conduct a proper audit or inspection of the banking system in Canada. I believe the proper course for Parliament to pursue is not the audit provided by the Minister of Finance in section 56, but some kind of government inspection of the chief offices of the banks in Canada. We have at present only 25 chartered banks, or, leaving out the Banque Internationale du Canada, we have 24. Some system of Government inspection of the head offices of 24 banks in Canada could surely be devised. I recognize that the chief difficulty would be to get properly qualified men with a sufficient knowledge of the banking system of Canada to take hold of the work. I do not know how many would be required but I do not think very many, with a proper staff. If the minister had three or four of the most expert men some proper system of government inspection of the head offices of Canadian banks might be devised. What would be the effect? It is useless to deny that there is among some of our people a feeling of lack of confidence in our banking system. We have always been lead to suppose that the inspection of the branches by the banks has been satisfactory, and if we had some government inspection of head offices it might restore a feeling of confidence throughout Canada in our banking system. We know that certain things do occur in banks if we can believe rumours, that should not be allowed to occur. I believe that some form of proper government inspection of head offices might remove the feeling of lack of confidence which I believe exists among certain sections of our people.

Since the discussion on the Farmers' Bank many of us have been interested in following the statements in the press in regard to government inspection of banks, and I myself clipped from some of the papers circulated in Western Canada a number of the extracts quoted by the hon. member for North Ontario. Until a short time ago many papers kept saying that we must have some kind of government inspection or audit of our banking systems in Canada, some saying that it might be confined to our head offices. During the last few days I have looked through our papers and I find a wonderful sparcity of material on the question of government inspection. At the very time when the question is before Parliament the newspapers seem to have fallen down on government inspection of banks. If we had any kind of government inspection or outside inspection of the head offices of banks in Canada I do not believe that the bank failures which have been so

disastrous in Canada for the past two or three years would have occurred. Take the Ontario Bank. In that case the manager, Mr. McGill, sent to New York, for purposes of speculation, millions of money and the account still stood in the head office of the bank as an asset of the bank. That could not have occurred with any inspection of head offices. The same thing occurred in connection with the failure of the Sovereign Bank where Stewart lent money in Chicago on foreign securities and lost it. I need not refer to the Farmers' Bank case, where it has been said the money was lost by investing in a hole in the ground, the Keely mine. None of these things could have occurred with outside inspection because, apart from the efficiency of the inspection, the mere knowledge that the books were subject to inspection would deter the officials of the head office from doing things of this kind for fear that their methods of doing business might become known to the outside world.

Mr. MACLEAN (South York): Does the hon. gentleman think that if there had even been a verification of the sworn returns as published in the Canada Gazette better protection would have been afforded to the public?

Mr. MARTIN: If I understood my hon. friend's question correctly, any outside examination of the returns of a bank would perhaps have been of some assistance in discovering irregularities. Notwithstanding the fact that we have only 24 chartered banks actually doing business at the present time, during the past twelve years there have been seven bank failures. I do not know how many banks have been merged in the meantime, but I do not suppose we have had more than 35 banks during the period to which I have referred and seven failures out of 35 banks in existence is a very large percentage,—25 per cent—in comparison with the failures that take place in other lines of business in Canada. It is all right for us to say that we are proud of our Canadian banking system. As a Canadian I am proud of our banks, I believe that some of them represent the strongest banking institutions there are in the world, but at the same time we cannot shut our eyes to the fact that we have had this percentage of failures. The banks which have failed are the Bank of Yarmouth, Ontario Bank, Sovereign Bank, Bank of St. John, Bank of St. Hyacinthe, Farmers' Bank, and, last but not least, La Banque Internationale du Canada.

Mr. EMMERSON: St. Stephen's Bank.

Mr. MARTIN: St. Stephen's Bank, making eight. Some will say that the Banque Internationale du Canada is a going concern. It is a going concern to this extent that those who paid $10.25 for their holdings will get back $5 per share. We have heard statements in regard to that bank but these statements have not satisfied me that everything is all right. I will still think that there was something wrong with the organization and management of the bank until somebody explains where that $5 went. It is due to the people that some investigation should be held in connection with the incorporation and management of that bank just as much as it is due to the people that some investigation, such as that which the government has provided for, should take place in connection with the Farmers' Bank. I was a member of this House during the existence of the Parliament from 1908 to 1911. I never heard a man blackguarded on the floor of this House as Wm. S. Fielding was in connection with the Farmers' Bank, a man whom no one in Canada has been able to point the finger of scorn at in connection with the public service and a man who gave good service to his country. Hon. gentlemen opposite did not agree with him on political questions, but no fault can be found with his honour as a public man. I heard men in this House, for whom I had more respect before they blackguarded that man than afterwards, who actually suggested that part of the $100,000 that was presented by the leading Liberals of this country to Mr. Fielding had come from the Farmers' Bank. Is it any wonder that hon. gentlemen on this side of the House should demand an investigation in connection with the incorporation and business management of the Banque Internationale du Canada. Any unbiased man, taking into consideration the facts in connection with the incorporation of the Farmers' Bank and in connection with the Banque Internationale du Canada, cannot fail to come to the conclusion that there would be just as much reason for me attempting to blackguard the present Minister of Finance as for hon. gentlemen opposite attempting to blackguard Mr. Fielding in connection with the Farmers' Bank.

Mr. SPEAKER: I am afraid that the word 'blackguarding' is scarcely appropriate in Parliament.

Mr. MARTIN: Do you wish me to withdraw that expression, Mr. Speaker? I do not know that I have anything further to say in regard to this matter at present, I only hope that the Government will investigate the incorporation of that bank. It is due to the people, it is due to the shareholders that some investigation should take place. We cannot afford to have men,

connected with the frenzied finance of this country, forming these large financial institutions and then allowing them to go to the wall as has been done in connection with the Banque Internationale. There are one or two other matters that I wished to mention, but they are merely amendments in connection with the Bill and I will reserve any further remarks that I have to make until the Bill comes before the Committee on Banking and Commerce.

Mr. J. A. CURRIE (North Simcoe): Mr. Speaker, I am sure that we are all anxious to get on with the second reading of this Bill and place it as rapidly as possible before the committee where we can take evidence and discuss the question more freely than on the floor of this House. It is perhaps very unpopular for a member of Parliament to say anything in favour of the banks at the present moment. All kinds of insinuations will be made that the man who speaks in favour of the present banking system must be tied up by the banks, must owe the banks large sums of money and be virtually a bankrupt. Before I enter into a discussion of the question I want to make the personal statement that I do not owe the bank any money at all. I have no note in the bank, the bank owes me and so I am absolutely free to criticise the action of the banks. When I speak on this Bill I hope to speak in the interests of the people as a whole, not in the interest of those who have tried to borrow money from the banks and could not—nor of those who have lost money on bank shares. Let us look at this question soberly. One would imagine from the discussion that the banks were huge institutions owned by millionaires. The return as published by this Government every year shows the lists of the shareholders of the various banks, and if we examine those lists we find that virtually the majority of the shares of the banks of Canada are held by women and for estates—that is to say, for widows and orphans, and that the men who are amongst the wealthy in this country very seldom hold large amounts of bank stocks. If the banks are as those returns show then the banks are, in every sense of the word, the people of Canada. The banks do not represent the interests of any single individual or any single money power. After making that examination we must look upon our own banking system in comparison with the banking systems of other countries. It is very easy to raise a cry against banks and banking. I can assure hon. gentlemen that if we did not have any banks the country would be very poor indeed. Banking is one of the greatest advantages that civilization has given to mankind and no country is better served by her banks than Canada. Take any other country that you wish, compare its banking system with ours in the light of, we will say, panics or disasters and you will find that there is only one other country that can at all compare with us in that respect and that is France. Within our own memory we know of many world-wide financial depressions. It has been said with truth that the grain crops of the United States have been moved by the Canadian banks. Not so many years ago, the railway wages of the United States were paid in Canadian currency and while these great waves of depression were sweeping over the world, and when in other countries, everyone was reaching out for a dollar, business in Canada proceeded at the old stand, uninterrupted and comparatively prosperous. Credit was to some extent limited, sail was taken in, but nobody suffered; the workingmen who in times of financial panic are thrown out of employment, continued in their ordinary avocations in Canada, while all the rest of the world was in financial turmoil; that fact in itself is ample answer to all criticisms that are levelled against our banking system. The Canadian banking system is not the growth of a single day; it has not been just projected out of the mind of any individual; it would seem that the atmosphere of Canada gives to men a clearer insight into the true methods of carrying on business than is to be found among the older civilizations of Europe. Compare for a moment our ideas of political economy with those existent in European countries, and what will you find? You will find that in a cycle Canada passes through the same transition which it took European countries thousands of years to achieve. First, we have the hunter; he is followed by the rancher, who is followed by the extensive farmer, who is followed by the intensive farmer; then the pedlar, the bagman as he is known in the Old Country, the small shop-keeper, the jobber, and, following him, the manufacturer. We have seen our banking system grow from nothing to its present proportions. Hon. gentlemen will bear in mind that these economic questions which face us to-day are matters of history, in other countries, and the people of those countries pass judgment upon them in the light of history, while we, in this country can pass judgment upon them from the standpoint of living experience. We have erected a banking system that serves the whole country, that has an elastic currency, that supplies all the money necessary for all the operations of the country, and which is not lacking in any essential except some petty detail such as the matter of inspection, or of the amount that should be paid as interest to the deposi-

tors or charged to the customers of a bank. I therefore say that when we undertake to discuss our banking system in this House, we should do so with deliberation and calmness, and without belittling the ship that has carried us safely through so many storms. Credit is a very timid thing. It is true, I believe, that in view of Canada's present prosperous position we do not receive the amount of foreign money we should, but, I warn hon. gentlemen, that credit will take to itself wings the moment any criticism is levelled against it, especially so far as banking is concerned. Start a rumour down the street about a bank being in difficulty, and in a moment the rumour has spread miles away and people are hurrying to the bank to get their money, and at once you have a panic, sometimes local, sometimes far-reaching. It reminds me of the story of the old Quaker who found that a dog had broken into his larder, and, not wishing to kill the dog, he being a man of peace, took the animal outside, started him down the street calling: mad dog, and in a short time a horde of people were chasing the unfortunate animal until finally a policeman ended its days. And so, if we start this criticism of our banking system as some gentlemen in this House have done, we are going to cause needless alarm, and we are going to prevent people from depositing in our banks with consequences injurious to the general business of the country.

Let me discuss for a few moments the question whether we should have a higher rate of interest. Some claim that we ought to pay more than three per cent in our Government savings banks, and others claim that we ought to fix by statute the interest that should be charged. These questions have long absorbed the attention of parliaments. In the reign of Queen Anne, the amount of interest that could be charged was limited to five per cent, and, as late as 1854, experience had taught the people of England that to fix a rate of interest of any kind by statute was a useless and dangerous experiment. All the experience of the past goes to teach us that it would be unwise for this Parliament to fix a rate of interest as some have contended. The interest to be payable on deposits is fixed by the post office savings bank at three per cent, and if we increase that interest rate the banks will also have to increase the interest rate in order to attract money to their vaults. I claim, Sir, that there is ample protection afforded in Canada for the small depositor, because the small depositor can go to the post office savings bank and he can get his three per cent interest there, just as he can from any of the chartered banks. As a matter of fact, there are today millions of dollars

deposited in these post office savings banks, the fact being that the amount to the credit of each individual depositor in Canada is greater than that to the credit of the individual depositor in any country in the world. I may mention that the average rate paid on deposits in England is 2.05 per cent. The Bank of England pays no interest on any deposit, and neither does the Bank of France. In face of these facts, would it not seem foolish for us to endeavour to fix by statute a rate of interest for deposits? I think it will strike most members of this House as a common-sense view when I say that so far as the duty of this Parliament is concerned to provide a safeguard for the money of the smaller depositor, we have done so by establishing the post office savings bank system which gives absolute guarantee. A great many fallacious notions have been expressed during this discussion; for instance, some hon. gentlemen seem to think that the currency is a very large source of revenue to a bank. In the United States the banks deposit bonds with the Government, and these bonds bear interest at five or six per cent, the banks deriving interest from the bonds and also getting interest for loaning of the currency which they get from the country in return for these bonds. In 1883, there was an inquiry held in the United States into the earnings on the currency given the banks by the Government, and at the conclusion of that inquiry, the Controller of Currency in the United States reported that the earnings of the banks on currency was only $46 on each $100,000 of currency. There is no reason to say that that is false. This inquiry was made with full knowledge that all the facts extended over a term of years, and shows distinctly that the currency of the banks is not such a large source of revenue as many people would imagine. We will come again to the question of earnings. The earnings of the Canadian banks have been referred to. From the statements that have been made here, one would imagine this was the golden age for banks and banking in Canada. Hon. gentlemen in this House may be surprised to know that the dividends paid by Canadian banks are exceedingly modest; and that one of the chief reasons why English capitalists do not invest in banks in Canada, as was suggested by the hon. member for South York (Mr. Maclean), is that the English capitalists can get far more interest on the money they invest in the bank shares of their own country. I do not desire to exhaust the patience of the House beyond giving a few facts with reference to what the rate of dividend is in other countries as compared with Canada, so far as bank stocks are concerned. I will give the dividends paid by some of the foreign banks first.

	Per cent
Banco de Chille	18
La Plata	12
Bank of Australia	17
Bank of England	9
Bank of New Zealand	15
Bank of Scotland	19
Bank of Spain	19
Belfast Banby Co	20
Ulster Bank	20
Allahabad Bank	18
Farmers' Bank, Guatemala	14
American Bank, Guatemala	28
London Bank of Mexico	12
Bank of Ecuador	16
Bank of Peru	14
Bank of Commeciard, Sao Paolo	18
Bank of America, New York	28
Bank of Nassau	20
Bank d'Anvers, Antwerp	15
Bank of Commerce of Siberia	15
British Bank of South America	17
British Linen Bank	20
Capital and Counties	16
Chartered Bank of India and Australia	14
Clydesdale Bank	14
Commercial Bank of Scotland	20
Credit Lyoncees	12
Deutsche Bank	12½
Equitable Trust, N.Y.	21
Farmers' Loan and Trust Co., N.Y.	50
Guaranty Trust Co., N.Y.	40
Imperial Ottoman Bank	9
Lloyd's Bank	18⅛
London and Provincial	18
London and Southwestern	16
London City and Midland	18
London County and Westminster	21½
Manchester and Liverpool	17½
National Bank of India	37
Bank of Scotland	20
Parrs'	21
Bank of Ireland	12½
Union Bank, Scotland	15
Yokohama Special Bank	12

These are a few of the dividends paid by foreign banks. Let us see what dividends they pay in American banks.

	Per cent.
Albany Mechanics' and Farmers' Bank	16
Albany National Commercial Bank	16
Albany New York State National Bank	12
Alleghenny Pennsylvania German National Bank	36
Alleghenny Second National Bank	20
Baltimore Citizens' National Bank	20
Shawmut Bank, Boston	18
National Mechanics' Bank of Baltimore	18
National Security Bank of Birmingham	12
Manufacturers' National Bank of Brooklyn	16
National City Bank of Brooklyn	14
Bank of Buffalo	12
The Marine Bank of Buffalo	12
Columbia Bank of Buffalo	15
Merchants National Bank of Chicago	15
First National Bank of Harrisburg	28
Merchants Bank of Los Angeles	16
Essex County Bank of Newark	16
Pittsburg Union National Bank	15
Portland First National Bank	26
German-American of St. Louis	40
San Antonio National Bank	20
San Francisco, Hong Kong and Shanghai Bank	30
Bank of California, San Francisco	16
First National Bank of Scranton	16
Chatham National Bank, N.Y.	16
Chemical National Bank, N.Y.	106
Bank of America, N.Y.	26
Fifth Avenue Bank, N.Y.	260
Bronx Bank, N.Y.	50
First National Bank, N.Y.	32
Garfield National Bank, N.Y.	12
Importers' and Traders' Bank, N.Y.	20
New York County National Bank	40

Let us bear in mind that there is no double liability on the shares of national banks of the United States. When we come to consider the ample returns on capital invested in these foreign banks and compare them with the meagre returns from the banks in this country, we are inclined to feel a trifle ashamed of our banks, in spite of all the statements made by the hon. gentleman who has just sat down. I have here a statements of the dividends paid by the Canadian banks, taken from the Canada Year Book of 1911:

	Per cent.
Bank of British North America	7
Bank of Hamilton	11
Bank of New Brunswick	13
Bank of Nova Scotia	14
Bank of Montreal	10
Bank of Ottawa	11
Bank of Toronto	11
Bank of Hochelaga	9
Banque Nationale	7
Banque Provinciale du Canada	5
Canadian Bank of Commerce	10
Dominion Bank	12
Eastern Townships Bank	9
Home Bank of Canada	6
Imperial Bank	12
Merchants Bank	10
Metropolitan Bank	10
Molson's Bank	11
Northern Crown Bank	6
Quebec Bank	7
Royal Bank	12
Standard Bank	13
Sterling Bank	5
Traders' Bank	8

Compare these with returns from Canadian banks and bear in mind that everyone who has a dollar invested in a Canadian bank must be at all times prepared with another dollar to back it up. He has virtually got two hundred dollars invested for every hundred dollars in reality that appears in his name in the banks list of shareholders. You will see, therefore, that the dividend returns, so far as banking in Canada is concerned, are less than those of almost every other country in the world.

With reference to the question of inspec-

tion, four kinds of inspection, so called, were mentioned in this debate. The first kind of inspection was called an audit; an audit could be an external audit or an internal audit. There was inspection, so-called, which is altogether different from an audit; an inspection is supposed to go into the quality of accounts. There is an external inspection and an internal inspection. This question has attracted the attention of the wisest minds engaged in the banking of the world; and the unanimous opinion of the best bankers of the world, not only to-day, but in the past, men who have served as bankers and died virtually poor men, men who were bankers first, foremost, and all the time, is that 'internal' inspection is the only remedy. I will give the House a quotation from a letter written by the late Mr. Thos. Fyshe, whom we all admire, a gentleman of high standing and whose views on banking should bear weight. Mr. Fyshe wrote several letters and he was very strong on this point. I desire to quote his remarks to the House, and to show how closely his ideas were followed by those of foreign bankers, as far as inspection is concerned. Mr. Fyshe says in a letter to the Montreal Witness of October 29, 1906:

This proposition (bank inspector) has been under discussion at every renewal of the bank charters, extending back for over thirty years, with the result that the opinion of the bankers is almost unanimously opposed to it. It is a simple matter of fact, that the legislation upon our admirable banking system is founded, was the work almost entirely of the bankers, who have had many strenuous fights with the politicians to prevent the introduction into Canada of American banking ideas, which would have been fatal to our system and disastrous to the country. The Americans are to-day cursed with a banking and currency system which is a disgrace to them, and which the united wisdom of the country seems unable to cope with. If we had been guided by our politicians we should probably have reached a similar situation. On the contrary, our bankers convinced the politicians that so far as banking was concerned they knew better than the Yankees, with the result that we have now a banking system second to none in existence, the advantages of which to the nation are everywhere conspicuous. Owing as much as they do to the bankers of the country for this great service, it is to be hoped that the people of Canada, before tinkering with the Bank Act, with the view of establishing Government inspection, will take counsel with our bankers, and be guided by their judgment, as being a matter which they thoroughly understand, and which the public do not.

It has become too much the habit to appeal to the Government to regulate everything that goes wrong, forgetting the tremendous seriousness and significance of making a new law which may work a hundred times more mischief than it is designed to remedy.

Now, Sir, this proposal for a government inspection must be judged in view of the call made on this Parliament to reimburse the losses of the depositors and shareholders of the Farmers' Bank, simply because it is claimed a mistake was made in the granting of their certificate. Many hon. members on both sides of the House have acknowledged that that question is, to some extent, a burning question in some parts of the country, and that the proposition has been made in the House and in the newspapers that the Government should consider the advisability of paying back to the depositors in the Farmers' Bank, and also to its shareholders, the money they lost because some error was made, either intentional or unintentional, in the granting of the certificate of that bank. Let me ask you how much more would the depositors and creditors of a broken bank come to this House demanding their money back if we had placed a government inspector to look over the accounts of that bank. Bear in mind the fact that a fraudulent banker can destroy his bank inside of twenty-four hours. It is a fact that these irregularities have almost always occurred in exchanges of money from banks in Canada to banks in the United States. That is to say a transaction involving exchange, and a bank has to depend so much on the honesty of its employees in matters involving exchange, that if a banker wishes to take every dollar in the bank he can do it inside of a week as well as inside of a year by a simple process of bills of exchange; and you cannot keep a government inspector sitting over him all the time. The House cannot legislate morality and honesty into bankers. If the Government appointed an inspector of this kind, and during his absence the manager of the bank wished to take the funds of the bank and transferred them to New York, to Mexico or to some other country, he could do it in less than twenty-four hours under the system of exchanges which now exists all over the world. If that were done, everybody would who lost money through that transaction come to the House and would say: 'You put an inspector there and the inspector is responsible, and the Government is responsible, and I want my money back.'

There is a system of 'outside' inspection of the national banks in the United States. Has that prevented American national banks from becoming bankrupt? Is it preventing them from going to the wall to-day? Statistics have been produced to show that it has not. The Comptroller of Currency of the United States was, giving evidence the other day before the so-called

money investigation committee which has been referred to, this committee of inquiry in Washington, into the 'money trust.' I read in the newspaper report of that investigation that Mr. Laurence O. Murray, Comptroller of the Currency of the United States, before this committee, declared that the bank law was 'inadequate,' that the present system of examination was 'superficial and ineffective.' Hon. members will find him reported in the New York Evening Post of January 28. And I would ask hon. members to procure copies of the Comptroller of the Currency's report on 'inspection.' If we desire to discuss the question of American banks, we can do so very well in the light of this interesting volume. We find according to the report of this gentleman, that, since 1865 and up to 1909, which is the last report I have, 508 national banks of the United States have been liquidated. Another very surprising fact is that 14 banks were put in the hands of a receiver in 1909 and at that time in process of iquidation in the United States, there were no less than 68 national banks. I have taken the trouble to figure out from the statement of the comptroller, the losses through these failures. I do not wish to occupy too much of the time of the House with these figures, because any hon. member wishing to examine them can find this work in the library. I think if some hon. gentlemen would look over these figures they will think a little better of the Canadian banking system than they have hitherto done. The aggregate capital stock paid in these banks at the time of failure was $83,495,920, and the additional assessments collected from shareholders amounted to $21,293,162, a total payment on the part of the shareholders since 1865 on capital account $105,799,082. The sums refunded to shareholders after the banks were liquidated aggregated $3,011,763, leaving a total loss to the stockholders of $102,677,319. The public claims against the banks amounted to $179,280,953 and the claims paid were $131,763,421. The loss to the creditors of the bank—that is to the creditors, not to the shareholders—was $47,517,532. If we add the losses of the shareholders and the losses to the creditors, we shall get the total losses to the public through these banks. This aggregate was $150,194,851: In other words, in forty-eight years this loss averaged annually $3,129,006. I think if there is any difference my figures are a little later than those of the hon. junior member for Halifax. Adding the losses from State banks will bring the annual losses through banks—over eleven million dollars. Thus it will be seen that the losses to the people of the United States through bank failures have been far greater per capita than those of the people of Canada who have no outside bank inspection at all.

I have here the figures of the total bank losses in Canada. They were given in this House a year or so ago by the hon. member for Argenteuil. I do not know whether he is going to speak on this question, and I hope I am not trespassing on his time, but he has given a very interesting table, which has been published in 'Hansard' and I think it should again be placed on 'Hansard' by him. I have his speech here, and it shows that the total loss to the people of Canada through banks since Confederation is $6,694,665, an annual loss of $155,220. We have therefore, been comparatively modest as regards losses, and for that reason we should congratulate ourselves and not start tinkering with an Act in any way which has been declared by Government officers to be useless. Sir, I am not uttering one word against a system of internal inspection; I believe that the law should provide that banks should have internal inspection, not only of the head offices, but of the branches and the foreign agencies, because in the case of the Ontario Bank, the subject of the loss was shown on the books as an asset or bill of exchange on New York, and no one who inspected the head office of the Ontario Bank could, by merely examining the books, ascertain whether or not there was a loss. In fact there was no money in New York. The reason why so many of the small banks fail in the United States is that, in isolated sections of the country, the bank manager, if he is crooked, he is able to 'kite,' drafts as it is known in banking parlance. He will make a draft on New York and the inspector cannot tell whether these drafts are against deposits or credits and are correct or not. Our system of branch banks avoid this, and enable money to be transported from one part of the country to another with very little expense, and that is one of the great faults of the national system of the United States. If you wish to transfer money from New York to Texas a large premium is paid for doing so, and if the bank manager is crooked, not only can he hoodwink the inspectors, but his own stockholders and directors as well. In connection with the reference made to Germany, I might call attention to a man in Germany named Raiffeisen, a great philanthropist. He has devoted his whole life to the organization of a system of small co-operative credit and of agricultural banks all over Germany. He would take half a dozen farmers or tradesmen or labourers, and would start a little co-operative bank amongst them, and teach them what Earl Marx, the great socialist, calls the 'capitalistic system of production'—that is the use of credit. Here we have savings banks in small towns with half a million dollars in them, and if our farmers took that money, utilized it

under the system prevailing in Germany, they would be enabled very easily to realize a large credit, and be enabled to build up their farms, and increase their production the same as manufacturers. Every manufacturer knows it would be impossible to carry on the business of the country if the banks did not provide credit. There is not enough currency or coin. The banks do not provide money in the shape of gold or currency, but in the form of what is known as 'money of account'—that is credit. They will say: 'we will lend so much money, and that amount is based on the amount of the deposits. But they can easily lend an amount much in excess of the deposits, because they know the money is continually coming back and they can meet their daily demand for currency with about thirty per cent of cash reserve. This man Raiffeisen, who has created all these small banks in Germany, which are to-day lending over a million a year, says distinctly that the small bank must be inspected by itself or by its own union. He decries state inspection altogether. Mr. Wolfe, a well known writer on this topic in England, has written possibly one of the most interesting books on co-operative banking that has been published in the English language. In discussing this matter, expressing Raiffeisen's views says, on page 205:

What title, so I should like to ask, has the state to interfere at all in the private affairs of a bank? That is not a public concern. And what business has it to make the taxpayer pay for the inspection which it imposes for the supposed benefit of the bank? The plea ostensibly put forward is, that it is to the public's interest that the bank, at which the public is invited to deal, at any rate to the extent of depositing money—for all other business is restricted exclusively to members—should be kept sound. We hear that argument now strongly put forward in Italy. However, the public is very well able to look after its own interest. It may withhold its deposits. And, really, that would be a far more effective way of bringing home to the bank the necessity of keeping things safe than inspection by a government officer.

That is the opinion of Mr. Wolfe also, who is the recognized authority in England on co-operative banking. Another great European banker is the present prime minister of Italy, Mr. Luzzatti. He established his life work by starting a small co-operative bank in Milan following the German system. At the time of a great commercial panic in Italy, this small bank in Milan broke the law by issuing tokens like our currency, thus saving the financial situation. This made the bank and it is now doing a business of over a million dollars a year. This man Luzzatti established banking on a firm basis in Italy, and was raised from a very humble position to that of prime minister of Italy. Mr. Wolfe in his work entitled 'People's Banks,' referring to the question of the inspection and the prying of the state into the affairs of a bank, says:

M. Luzzatti, who had in the meantime become Minister of Agriculture, Industry and Commerce, has foreshadowed in Creditoe Cooperazione a Bill, which he expects to see passed with little opposition, making inspection obligatory, by preference of unions, but, failing that, by the state, M. Luzzatti at the same time declares that in his opinion inspection by the state, where there is a union, is worse than no inspection at all.

Last year's report shows that these banks had lost not one cent in Germany. The condition in Italy is the same. It is a fact that the great percentage of humanity is honest. The percentage of rogues even amongst the poor is very small. The experience of bankers in this country is that the small farmers are the ones who pay their accounts in full. The benefits of credit should be wisely extended to the farmers and poorer classes.

I have given the opinions of four of the foremost bankers in the world. Luzzatti does not represent the money trust; he is to all intents and purposes a state socialist. Raiffeisen was not a money power representative. Neither of them benefited a cent from the establishment of banks. There is also Mr. Fyshe and the Comptroller of Currency of the United States. These men all give the one answer to the question, they are against state inspection. Is it not right for us to decide that these bankers know best? Luzzatti further provides in a new Bill, that if the bank does not provide proper inspection itself the state can step in and appoint. I think that is perhaps the solution and a fair way out of our difficulty. That is the way it stands in Italy, they leave the bank to its own resources, they believe in self help, they think that the only people who can help the shareholders are the shareholders themselves and I have given the result not of a fancied opinion, not of my own thought, but the ideas of the coolest-headed men who have had the public interest in their mind and they are standing by the amendment proposed in this Act. For these reasons we, as intelligent responsible men, who realize the benefits of this banking system of Canada, who must recognize that our banks have been very modest in their dividends as compared with the dividends paid in other countries. So we should deal fairly and honestly with our present banking system and should be very careful not to amend the Act in order to seek some idea of a false security which does not exist.

But suppose we have bank inspection as asked; then the credit of the worst bank in the whole lot will be just the same as

the credit of the best bank and after all the only and the great asset of a bank is its good name, its credit and its honor. If a man does not wish to deposit in a certain bank, if he distrusts it, he can go to another bank, and what is more the state has provided that a man can go and put his money in the post office savings banks guaranteed by the state. The hon. member for South York said that the postmasters ought to be able to mark post office savings bank cheques, so that a man could have a cheque of that kind cashed. That is another fallacy that will not work out in practice. What would happen if a postmaster could mark cheques for every Tom, Dick and Harry? We might have defalcations without number. Some postmaster would issue four or five hundred of these 'marked' cheques on the Post Office Department, send the boys out to get them cashed and away he would go, and the Government would have to pay the money. The Government has established a wise system in the Post Office Savings Bank. The only thing is that it locks up too much money now. Forty odd millions are now locked up in that way. After all it is better to keep gold as against deposits of all kind, as is done by our Government at present. This Government has more than a fair proportion of gold in the Treasury, and compares favourably in that respect with any other country.

Should we have a national system of banks? That is another question. We have never had any necessity for a national system of banks. National banks have been organized invariably by other countries for what reason? Not to benefit the people, but to benefit the state. They were established, in the first place, to lend a lot of money to the state. Was not the Bank of England so established? How much of its original capital did the state take, and has not the Bank of England had to suspend payments in gold? Time and again it could not pay gold, and all the legislation and everything that they have been able to do so far has made it impossible for them to say with absolute certainty that at all times the Bank of England will never need to suspend specie payment. That is what our banks do—when they fail. They suspend specie payment, and they are promptly put in the hands of a receiver or liquidator and that is the last you hear of them. The Bank of France had a narrow shave in 1848, and the greatest monument of French genius is the Bank of France, greater than all the campaign of Napoleons, greater than all the victories of Louis, for its work endures. The Bank of France has been the greatest work of the French people. In spite of the revolution of 1848 it never suspended gold payment. The Bank of Germany is in virtually the same position. These national banks were all intended in the first place to give the profits of banking to the state. They were intended to lend money to the state. Now, we do not need to borrow money for the state, from our people, so we do not need to establish a national bank. Gentlemen say: Why does not the state step in and print a lot of paper bills, issue them and make money plentiful? Everyone knows that economists have said from John Stewart Mill down, if you issue currency that is redeemable in gold and the currency is not needed, people will exchange the currency for gold and ship the gold out of the country and money will reach its own level; it is altogether a case of supply and demand. In certain periods of the year when we need extra money, the state has always seen that our needs are provided for, our currency has been elastic, but not unduly inflated. But suppose the state said: we will issue another hundred million dollars of currency, and issue notes. Then what will we do with this money? Who will accept it? Will the Government ask the banks to hold it as deposits? Suppose we put so many millions in this bank and so many in another bank to the credit of the country. The bankers are then holding the money of the country without security, and who is going to hold the bankers? Is it not a danger? After they have got all that money what happens? Suppose you double the currency of the country—I should like to read a paragraph from John Stewart Mill written fifty years ago. Hon. gentlemen of a scholastic turn of mind will always give better credit to what a man wrote fifty years ago than to what a practical man of to-day says. Mill says that if you double the currency of the country you double prices. Might not I suggest that we have a little too much money in this country now, and that the reason prices are so high—the high cost of living—is because currency and money is too plentiful in Canada? If you read all the books on banking, and I have read some of them, you must come to the conclusion that the reason prices are so high here is that there is too much money. If you make money scarce, prices will automatically come down. That is the history of banking all over the world.

I have gone over nearly all the objections to the Bank Act. I have endeavoured to meet them with a few facts, and where I have not met them with facts, I have tried to interject an argument or two.

Mergers! I can hear that cry when I am going home at night; I can hear the news boys crying 'Mergers.' We have mergers on the brain. The process of merging has been going on from time immemorial. The history of England shows that

When all property was in land, they had mergers. A man's son married his neighbour's daughter and they merged the two farms.

Now, we will take banking mergers. The Bank of England is the product of the merger of a number of banks. It is the final analysis of the banks in England up to a certain date. The Bank of France is the result of a merger. It is not many years since the Bank of France took over all of the provincial banks. The Bank of Germany is the result of a merger. There were something like 36 banks when the Reich's bank was established and now there are only about seven. They gave up their currency and became amalgamated. That is a process of transition that we cannot stop. Is it injurious? One difficulty in doing business with a small bank is this: a business man goes to a bank for a credit; the bank will sometimes say: we cannot give you $150,000, but we will give you $100,000, we can't spare the credit. If there were a merger of two or three banks the resulting bank would gladly give the larger amount of money that is required. It would have the credit and as a result people would be able to go on with more business. Great companies require vast sums of money. Even the great Canadian Pacific railway, rich and all as it is, found in days gone by that it had to go to the bank and get money. The steel companies have had to go to the bank for money to handle their product. Every manufacturing concern in the country in its earlier stages has had to borrow freely from the banks and they all owe a debt of gratitude to the banks. The benefit of bank credit extends all over Canada. A little merchant buys his stuff from the jobber in Winnipeg and gives his note for it. He sells goods to the farmers of the Northwest on six months' time, and in this way he is using the banks of the East about which we have heard so much. There are many times when the western jobber has to rely on the eastern manufacturers and the eastern manufacturers have to rely upon the banks. There is no use of casting any reflection upon the East or upon the West; we are all on a common footing. The banks have always endeavoured to do their duty and I hope they will do it in the future as they have in the past.

There is one thing that I would like to see in the Bank Act and it is an innovation. In some countries I notice there is a provision that, if a man deposits his money in the bank, he can leave a document with the bank, signed by himself and a witness, stating that in case he dies suddenly without a will, some person designated, his wife or child, may cheque that money out. If a man dies suddenly in Canada and he has $500 or $600 in the bank, his widow and children have to go to the expense of administration before they can get the money. In the meantime they may starve. That is done in foreign countries, and I am quite sure that my hon. friend the Minister of Finance could easily frame a provision of that kind.

Now, there is the question of whether we should, if we are going to loan to farmers, ask that all these loans be registered in the county registry office. They have a banking system in Madras that applies to small farmers. When a farmer pledges his crop in India, a notice is posted up in the local post office to the effect that his crop is pledged to the bank and they have also criers who declare certain things with sound of trumpets. It is the old-fashioned way of crying down credit. My friend the Colonel (Mr. Clarke, South Bruce) here knows that if he were on service and he marched his regiment into any city or town, the first thing he would do would be to send his sergeant and bugler to the post office to cry down credit so that he would not be personally responsible for the debts of his men. They adopt a system something like that in India. We cannot very well do that here. To register every bank loan would mean larger fees to the registers and heavy legal expenses to people who can ill afford them. Who is going to be injured, who is going to suffer, with the present system? There is nobody demanding the imposition of undue restrictions upon the bank. If I have money in an estate that becomes insolvent I do not begrudge that the bank should get its money ahead of me. I realize that we must have this necessary evil, that it is necessary to have banks and preference in order to carry on the business of the country. Banks lend millions of dollars on demand notes to industries and corporations, it is through the banks that the thousands of men employed get their salaries, and millions of dollars are tied up in drafts representing goods stored in warehouses for six months at a time. We have to provide all safeguards for the banks because the banks, as I said at the beginning of my observations, are the people, not the property of the money trust but that of the widows and orphans. Therefore, it is the duty of the members of this Parliament as level-headed men to discuss this Bank Bill in the light of experience rather than try new experiments with the Bank Act.

Hon. FRANK OLIVER (Edmonton): Mr. Speaker, I would like to agree with my hon. friend (Mr. Currie) who has just sat down as to the desirability of consid-

ering this question soberly, and also that it is not a matter that should be experimented with for the sake of experiment. The question of the finance of the whole of Canada, is, as has been said, the most important question with which this Parliament has to deal. It is the more important in that it is only brought to the attention of Parliament once in ten years in the ordinary course of events. The fact that it is a matter of such stupendous importance to everybody in Canada and that it only comes up for consideration once in ten years is, I assume, a sufficient reason for every member of the House giving his best opinion in regard to the Bill before the House. No member shows any desire to make partisan politics or to make political favour for himself when he brings to the attention of the House his views and opinions in regard to this important question.

I am sorry to say that I am not as well equipped for dealing with this question as many other members of the House. I have never had intimate relations with banks; that is to say, I have no banking knowledge. Therefore. I am not able to speak as an expert in regard to those features of the Bill that relate to the management of banks. But, I am one of those who stand in the capacity either of a lender to or borrower from the bank. I am one of those who furnish the $1,100,000,000 to the banks in deposits, or am one of those who borrow from the banks a part of the $900,000,000 which are borrowed from time to time by the people of Canada. It is in that position and from that point of view that I would like to consider this Bill. From that point of view the position of the shareholders and directors of the banks is of secondary and not of primary importance. The interest of the shareholders of the banks amounts in shares to a matter of a little over $100,000,000. They have besides another $100,000,000 that belongs to them under the name of rest or reserve, The shareholders have an interest in $200,000,000, roughly speaking, in this Bill, whereas the public have an interest of over $1,000,000,000. It is, therefore, unnecessary I hope to apologize for considering the Bill from the standpoint of the billion-dollar interest as compared with the two-hundred million-dollar interest.

I was much interested in the remarks of my hon. friend from South York when he insisted strongly upon the desirability of taxing the banks, but, so far as I can see, I do not at all agree with him in that view. If a tax is to be imposed on a bank it must come in the end from either the borrower or the lender or both. If it is to be taken out of the depositors who have that billion dollars in the bank I say they are getting too little for their money at the present time, while the men who have borrowed $900,000,000 from the banks have at present sufficient burden to bear in the rate of interest they are charged. So that, in neither case, from my point of view, should there be a tax levied upon the business of the banks, unless the interests of the country make it absolutely necessary from a revenue standpoint. My view is, that if at the present time it can be assumed that the banks are making an undue profit, and I am not saying they are, then that profit should be reduced, either by giving a larger rate of interest to the depositor, or by giving the borrower his money at a lower rate of interest. I am not one of those who is in favour of government sharing in the profits of business, simply because business is profitable. My view is that the Government of the country should properly look for its revenue in fair proportion, equalizing the burden on all productions of the country, and that where there is an undue profit arising out of any particular business, the Government should see that that profit is properly distributed amongst those from whom it has been drawn.

Mr. MACLEAN (South York): I pointed out two things—first, that the state might in a sense share in excessive profits—but my main argument was for state limitation of excessive profits as the hon. gentleman is now arguing.

Mr. OLIVER: I am not so much arguing against the views of my hon. friend as I am trying to get my own views before the House, and I merely used the reference to his remarks in order to bring out my point clearly: that in no case would I consider it a desirable proposition to levy a tax upon the banking interest of this country, unless in the estimation of the Government of the day it was necessary for the purpose of raising revenue to make such a levy, and, that the effort of the Government should rather be to reduce the cost of banking so far as it can be reduced.

Mr. MACLEAN: Hear, hear.

Mr. OLIVER: I am merely stating an abstract principle; I am not making any suggestion as to policy in connection with the Bill before us. There is another point as to which I cannot see eye to eye with my hon. friend from South York, in his general objections to the banking system of Canada. I am rather inclined to agree with my hon. friend from North Simcoe (Mr. Currie) that the banking system of Canada has served the interests of Canada during the past many years with very good results. It has to be admitted, of course, that there have been flaws and failures in the system, but there are flaws and failures in everything in this world. I do

not know that on the whole the banking system of Canada has shown itself to be at a disadvantage as compared with the banking systems of other countries. At the same time the fact that this Bank Act comes up for revision at the end of each period of ten years is all the evidence that is necessary to prove that in the minds of those who framed the Act and in the minds of those who have amended it from time to time even down to the present, it is essential that as the conditions of the country change so the conditions surrounding the system of banking in the country have to change if the public interests are to be properly protected as it is the duty of the Government and of Parliament to protect them. Therefore, I make no apology for supporting changes which are proposed or for suggesting changes in the Bank Act. So far as my experience goes, it seems to me that the Canadian banking system by which a single organization has branches throughout the Dominion makes for and not against the best interests of the country. I know that some years ago the branches of the chartered banks established in the West were loaning money at approximately the same rate of interest as was being charged in eastern Canada while across the line, in the state of Dakota, under the banking system and conditions prevailing there, the people were paying approximately twice as much for their money as were we on the Canadian side of the line at that particular time. The conclusion I drew was, that under our system it was possible to tide over a period of difficulty in certain localities under circumstances much more favourable than under the system of isolated local banks prevailing in the United States.

Having said so much then on behalf of the banking system of Canada and of its administration, I think it is also necessary to say that the importance of this great question requires that it shall be dealt with very frankly; and that where there are or are thought to be shortcomings in the administration of the system or failures on its part to do the work that is expected of it in the public interest, here and now is the time to say so. I have some information to give the House in regard to the administration of banks in the West, not so much by way of criticism, not so much with a view to suggest amendments to the Act, but I think it is absolutely desirable that the House should be made aware of certain conditions so that the House can draw its own conclusions. If we are to consider this banking system as my hon. friend from North Simcoe did, as something that was in itself perfect, that nothing required change or alteration either in the system or in its administration, and that it was one of the very few perfect things that were granted to the sons of men, then there would be no use of our considering it here. I think, however, as it is a finite institution, having something of the earth and being earthy, it is desirable that we should deal frankly with it; and if there is information to be given dealing with the question or touching upon the subject, we should have the information. I want to say this with a full sense of responsibility. In the Northwest we have had a very rapid advance in the price or value of real estate, particularly in the cities and towns. In the city of Edmonton each advance in the price of real estate was directed and established and, in my judgment, created by the action of one or another of our chartered banks. To come right down to particulars, about the year 1912 we had three banks doing business in Edmonton, the Imperial, the Merchants and I think the Union. The Bank of Commerce, wishing to establish there, decided to acquire a site for a building. At that time property in the part of the city the Bank of Commerce desired to establish in was worth $100 per front foot; it had stood at that figure for some time. The Bank of Commerce wanted a particular site; the owners did not care to sell; but the Bank paid $200 per foot for that particular lot for the purpose of putting their building upon it, and forthwith all the property along Jasper Avenue on each side of this locality was worth $200 per front foot. Property stood at $200 per front foot for some time. Later on the Bank of Montreal, desiring to establish in Edmonton, wished to get a particular lot and paid $300 per front foot; forthwith property on Jasper Avenue was worth $300 per front foot. I need not continue the story; but there are now some thirteen or fourteen banks in Edmonton and each bank as it came in, in its purchase of property, raised the value of real estate in the city until the last, the Bank of Quebec, paid, I think, $3,000 per front foot for the property it acquired on Jasper Avenue; it is true that there were buildings upon the property. What has occurred in Edmonton I verily believe has occurred in every other town and city throughout the prairie provinces.

Mr. BORDEN: How much had the population of that city increased in the meantime?

Mr. OLIVER: Oh, it had probably trebled. I could not give the figures exactly, but it would have perhaps more than trebled. The population had not at all increased in proportion to the increase in the cost of real estate. I am not suggesting that real estate values in Edmonton have not every right to be as high as they are; I do not wish to be understood as

Mr. OLIVER:

suggesting that. I am not detracting from the foresight of the bank that comes in and, for the sake of getting the site that it wants, pays a higher price than the current price of property along that street; but I want to point out that when the banks have done this, as they have done in Edmonton and everywhere else in the West, it does not lie in the mouths of the managers to read lectures to the people of the western cities and towns in regard to real estate speculation. It is a matter of fair consideration on the part of this Government, when dealing with this revision of the Bank Act, as to whether the banks were properly justified in entering upon these purchases as they have done. My right hon. friend the Prime Minister may say that it is none of the business of the public whether the banks buy at a higher price or at a lower price, that it is the business of the shareholders of the bank, and that they have just as much right as anybody else to buy high or to buy low. That is where I do not altogether agree with him.

Mr. BORDEN: I have not said anything of the kind.

Mr. OLIVER: I understood that was your line of argument, that was your point of view.

Mr. BORDEN: No.

Mr. OLIVER: I do not wish to press the point on the Prime Minister; but I want to point out that the importance of the banks and the business that they do are dependent, not upon the money which is provided by the shareholders, but absolutely upon the amount of money that is in their hands that belongs to the people of the country at large. It is the billion dollars of deposits of the people at large that make the banks important, and not the money that is put into the banks by the shareholders. The idea is in my mind that the banks in some of these cases may be buying these high priced properties with money that belongs to their depositors and not to their shareholders. Now, I may be wrong; that idea may be correct in regard to some of the banks and not correct in regard to others. But it is a point upon which I think the people of Canada should be informed. I spoke about the matter before; I suggested it to the hon. Minister of Finance when the Bill was brought in; and I say it is a matter upon which the public of Canada ought to be informed. It is not enough to tell the people of Canada that this is the business of the shareholders and not of the public. Any business of a bank that is doing ninety per cent of its business on the money of the public and ten per cent of its business on its own money is of interest to the public in the proportion of nine to one. The public are entitled to know, and should know, and means should be taken in this revision of the Bank Act to let them know. That is my humble suggestion upon that subject.

There is another thing that I think should be brought to the attention of the House. During the present session, that is since last fall, money has been very tight in western Canada. The banks have curtailed their loans; they have drawn in their credits very considerably. I find no fault with their doing so; it is their right and it is their duty if the business circumstances call for it.

Mr. PELLETIER: That has happened all over Canada, not alone in the West.

Mr. OLIVER: I only know of the conditions in the West. I assume that it is the same in the East. At any rate, it is a well known fact so far as the West is concerned. I am not asserting or suggesting that the banks were not wise in doing this; I am not suggesting that they had not a perfect right to do it. But I want to point out that this particular time of the year is the time of the marketing of the crops of the West, and also that in this particular year the market prices of the crops of the West are lower than usual. That is to say, wheat to-day in the West is worth approximately ten cents a bushel less than it was last year. If I am wrong, my hon. friends will correct me, but I think that that is generally admitted. Under these circumstances it is the desire of the farmer who is able to do so to hold his grain for an advance in price. He has hopes that by the coming spring the prices may be advanced, and he does not wish to send his grain forward. But if the merchant is pressed by the bank, the merchant must press the farmer, and the farmer must sell his grain at what must be considered at sacrifice price. The returns to the business of the West are reduced by a corresponding amount. Now, as I said before, I am not saying—for I do not know—whether the bankers were compelled by circumstances that they could not control and there are circumstances which even banks cannot control—to take this action. But I do say that the action they have taken is a stupendous injury to the people of the West, particularly to the farmers of the West at this time, and inflicts an injury upon every line of business throughout this whole Dominion. It will be recalled that a provision exists in the Bank Act of to-day, and it is being continued under the Bill now before the House, enabling the banks to enlarge their accommodation at this particular time of the year, that is to say, in the fall of the year, for the express purpose of handling the crop. I do not want to get into deep water, because I am not a financial man,

but it looks to me very much like a breach of faith that this great financial organization of the banks should be given such special advantages by legislation for this special purpose, and at the very time when that purpose is to be served they take such action as prevents it from being served and inflicts a very serious hardship upon the people whom that legislation was especially intended to protect. Of course, it is something that may be explained away, but on the face of it, it does seem to me to be something that requires explanation from the heads of these great banking organizations, the banks of Canada.

Some other points I took note of, and these points I wish to refer to briefly. First I would mention the proceedings to be taken in regard to an application for a bank charter. I listened to the discussion of yesterday, and I quite appreciate what appears to have struck the Finance Minister—that it is desirable that there should be safeguards surrounding the granting of a charter to a new bank. Very good so far as it goes. But I want to say and to say very earnestly, and I shall try to emphasize it further before I conclude, that no amount of legislation, and no amount of automatic supervision will meet the requirements of the case. I was somewhat disappointed yesterday—I do not wish to get into a controversy at all—when I heard my hon. friend the Minister of Finance take the position that, because the letter of the law had been complied with in the case of the organization of a bank, thereupon the responsibility of the Government had ceased. In the name of that $1,100,000,000 of deposits, I want to protest against the view that it is right or proper, or in accordance with the duties and responsibilities of the Government, that a bank be placed before the people of Canada, with the stamp of authority of the Government upon it, to enable it to do business, unless and until the Government has, not automatically or mechanically but effectively discovered, so far as it is possible to discover, the possibilities of the bank doing business as it is intended to do business. I do not know what has been the rule in the past; it is not material to my argument. We are dealing with conditions as they are to-day, not with conditions as they were years ago; and the discussions of yesterday show that an automatic granting of a bank charter is not a sufficient protection of the public interest.

In section 33, providing for increasing the capital of the bank, I notice that the terms upon which the new stock is to be allotted are to be fixed by the directors. As I have already suggested, I would be getting into deep water if I went into that matter very closely, but I am going to ask the Finance Minister whether this form of words covers the possibility of melon cutting by the shareholders of the bank? That is to say, is it possible for the bank to allot to its shareholders the new shares at a fixed price which shall be below their market value?

Mr. WHITE: 'Market value' is a rather ambiguous term. When directors are making a new issue of bank stock, they desire, of course, that it shall be taken up. You might have a quotation of bank stock—that is for the few shares that might be asked for on the market from time to time—at, let us say, 200, and yet it would be out of the question for each block of shares to be put upon the market at 200. The directors are given discretion, subject to limitation, in regard to the fixing of the price of the stock to the shareholders, and no doubt they would take into consideration the price at which the shares would be taken up. I would hardly describe this as melon cutting, as that term is usually applied to franchise holding companies. The shareholders supply money for the bank, and the directors would naturally try to get as much as they could for the shareholders in placing their stock. Bank stocks in this country are not very readily taken up, for the reasons which have been given.

Mr. OLIVER: The hon. gentleman has answered my question very fully, and has demonstrated by his answer that this form of words does cover the possibility of melon cutting by the shareholders and directors of the bank.

Mr. WHITE: Subject to the limitations.

Mr. OLIVER: That is admitted. I think that this is objectionable, and I would respectfully suggest to my hon. friend that, on further consideration of the Bill, provision be made that this melon cutting, which has only recently come into the public eye, although long in practice, be prevented; that is to say, that the directors shall be entitled to place the stock upon the market in such blocks as they may be expected to sell, and shall sell it at what it may bring on the market—just exactly, may I suggest, as section 35 provides for the closing out under certain circumstances of the holders of shares of over $50. Provision is made that where bank shares are in $50 lots, they may be made $100; that is, every holder of two $50 shares shall get one $100 share, but, in the case of a single $50 share, that share is sold at the market price and the owner gets whatever it brings. I do not desire to unduly criticise this provision, but I think it may be a little hard on the $50 shareholder. It does strike me that what is sauce for the goose—the little $50 shareholder—ought to be sauce for the gander—the big shareholder who is able to

take advantage of a possible cutting of the melon. Whatever is fair in dealing with the $50 shareholder would be just as fair in dealing with a group of shares proposed to be added to the capital of the bank, and of which the big shareholders might be expected to get the advantage.

Section 56 provides for a shareholders' audit. This matter has been discussed at some length, and I shall not now make any extended remarks upon it. The right hon. the Prime Minister seemed to be fully satisfied that in giving the shareholders the right to select an auditor, their interests were sufficiently protected. The hon. member for North Simcoe told us that the greater part of these shareholders were widows and orphans, or estates the money of which was held in trust, and I submit that shareholders of that character are not in a position to protect themselves by electing or selecting an auditor. The directors of the bank are the brains of the institution, and if the directors want a certain man or group of men elected as auditor, they will see to it that the shareholders will elect or select that man or group of men. The theory may be very good, but I submit that the privilege of allowing a group of shareholders to select an auditor is of absolutely no value except in a case where the bank has got into difficulty, and the shareholders have become alarmed; then, it is true, they can get together and elect or select an auditor against the wish of the directors. The desire of Parliament in dealing with the Act however, is to prevent such a condition from arising, and I say that if there is to be an outside audit, that audit cannot be effectively secured by the terms of the Bill as it is before us. I have read reports of meetings of shareholders of banks, railway companies and loan companies and have seen how the unfortunate shareholder who wanted explanations or information was simply sat upon and and did not get a show on earth although his money was in the institution, and it is not to be presumed that under ordinary circumstances the ordinary shareholder would have any serious influence in selecting an auditor to protect his interest in the bank. In regard to the alternative of government audit I do not know why the Government of Canada is not able to secure men and give them the authority that would enable them to properly audit the business of the bank. It is elementary that any government of Canada must be presumed to be able to protect the interests of the people of Canada from any mishandling of their business by any institution that is under the legislative control of the people of Canada. It is unthinkable that we can, by our legislation, create an organization which after it is created can do as it pleases and defy regulation by statute or by administration of this Government.

Would the minister explain the meaning of ' cash reserves ' in section 60?

Mr. WHITE: Cash is actually Dominion notes or gold; that is to say legal tender in Canada. The forty per cent clause referred to here has been practically a dead letter for a long time as the banks hold considerably more than forty per cent. They hold something like seventy-five or eighty millions of Dominion notes and forty or forty-five millions would be in excess of the forty per cent. The origin of this clause is that in the early days when they needed money in Canada more than at present the Dominion made an issue of $30,000,000 of notes. Instead of securing that all by gold they secured to the extent of twenty-five per cent by gold and left $22,500,000 unsecured. If they had enacted no further legislation any part of the $22,500,000 might have come in for redemption and the Dominion had not the gold to redeem it. The result was that they compelled the banks to hold out a certain amount of this so as to prevent it all being put in for redemption. I have thought it better to retain the clause.

Mr. OLIVER: Are the bills of a chartered bank legal tender?

Mr. WHITE: No, they are payable in gold at the bank, but they are not legal tender.

Mr. OLIVER: In section 61 there is provision for an issue and circulation of notes. When they issue these notes increasing their circulation are they compelled to maintain their securities in the same proportion?

Mr. WHITE : The only increase given is against the deposit of gold. They must deposit dollar for dollar in gold. They have the same power under this Act as at present, plus the additional power of issuing notes as against gold deposited.

Mr. OLIVER: The banks now issue circulation up to the amount of their paid-up capital and an emergency circulation as well. This circulation is redeemable in gold or Dominion notes. If the banks issue up to their limit and they have not the equivalent in gold or bills they are taking long chances

Mr. WHITE: Or a proper reserve. A bank never carries an amount in gold quite equal to the amount of its demand liabilities in deposits and notes. On the principles of sound banking it has been found that a certain degree of liquidity, which is the technical term, is sufficient, but the bank must be prepared, as my hon. friend has said, to pay in gold its notes and its demand liabilities if asked for.

Mr. OLIVER: I would be getting into very deep water if I were to deal very closely with this matter but, as it strikes me as one of the billion dollar depositors, this proposal is one to enable the banks to increase their circulation and reap whatever profit there is to be attached to that, without having a corresponding increase of gold or Dominion notes in support of that circulation.

Mr. WHITE: The bank, pursuing sound methods of banking, must always keep, as it does to-day, against its outstanding note circulation and its demand liabilities, a certain percentage of gold and Dominion notes and other liquid securities. Unless the bank gets in a greater amount of gold than is required in accordance with these principles of sound banking to meet these liabilities it would not avail itself of this power of issuing notes because it would be violating the rules of sound banking. It is only as against the additional gold that it may have that it will issue these notes because these notes are instantly redeemable. The great check upon any impropriety in connection with the issue of notes is the fact that through the clearance they come back almost daily. Each bank, when it gets the notes of another bank, hastens through the clearing house to get payment in gold. I would like to be able to reassure my hon. friend that the banks must keep, as against their note circulation issued, irrespective of their gold reserve and their liabilities, precisely the same percentage of gold as they have to-day under sound principles of banking, and if they issue any notes in excess of that against this gold then the gold must be in excess of the requirements which, under sound principles of banking, they would have to hold as against their other note circulation and demand liabilities. Under the present system the banks may at any time deposit gold and get Dominion notes. Instead of taking this gold, depositing it with the trustees and issuing their notes, they may take it under the present system and get $5 or $4 bills, as they did last fall, and issue those, so that, in that sense, the banks make no money out of issuing their notes against this gold reserve as compared with the system of to-day under which they can deposit gold and issue Dominion notes.

Mr. OLIVER: I appreciate everything my hon. friend has said provided the banks all do their business according to sound principles of banking and providing that all do, as a matter of fact, hold gold or Dominion notes as against their current liabilities. But there is nothing to show us, there is nothing in this Bill to assure us, that they will live up to these sound principles of banking. I submit that it is not good enough to tell us that the banks, according to sound principles of banking, will do thus and so for, unfortunately, as we know, within the past twelve years, we have had seven or eight banks that have not lived up to sound principles of banking, the result of which has been a tremendous loss to their shareholders and the public. I will go so far as to say that possibly a good many more of our banking institutions have more by good luck than good guidance, got through when others went down as a result of not observing the sound principles of banking. I am here to say, Mr. Speaker, that our banks are finite institutions, that they are of the earth earthy and that when we hear, as we heard yesterday, of a responsible statement rendered to the Government, I think, on oath—if not it ought to have been—that a certain $200,000 was an asset when it was a liability, or was a liability when it was an asset—I do not know and I do not care which—and when two of the leading bank men of Canada come forward and on their oath declare that that was a proper transaction, I think we are warranted in questioning as to whether or not our banks are living up to those sound principles of banking. It is for us to see that they do live up to them. That is our business and we should not take any chances on it at all.

Mr. WHITE: My hon. friend misunderstands. If my hon. friend eliminates this clause altogether all I said with regard to sound principles of banking still applies. The banks could deposit gold and issue Dominion notes. The only difference is that instead of issuing Dominion notes, which the Dominion prints and which impose no expense on the banks, the banks would issue their own notes against the gold. There is no enlargement of the power of the banks to circulate currency only they are circulating their own notes instead of Dominion notes.

Mr. OLIVER: Let me point out to my hon. friend that at the present time there is no temptation for a bank to put gold into the coffers of the Dominion and take out Dominion notes for circulation. There is no profit in that. But there is profit to the bank in putting gold into the central reserve fund and issuing its own notes against that gold.

Mr. WHITE: I beg to dissent from my hon. friend. The two situations are precisely on all fours. The banks deposit gold to-day with the Dominion Government and get out, let us say, $5 notes which they hand out to their customers. The banks, under this clause, deposit gold and hand out their own notes to their customers. The Dominion note goes out on the one hand and the bank note on the other. If

permission were given to a bank to circulate its notes without being secured by gold then there would be a profit to the bank of five per cent or whatever the bank could loan these notes out at while they were outstanding, less the cost of printing. Gold can either be used as a medium of circulation or changed into Dominion notes and put out over the counters, or in bank notes issued against a gold deposit. It is not a source of revenue to the banks and does not increase the earning power of the banks.

Mr. OLIVER: I am aware of what my hon. friend has said, provided sound principles of banking are maintained, or the bank does not take money that it should have in its own vaults against these outstanding liabilities and put that gold into the central reserve fund. The Minister of Finance has used the term 'sound principles of banking' in relation to the gold and notes held to redeem current liabilities of the banks, but I say we have no security that sound principles of banking are going to be observed and I ask the hon. gentleman has he no proposal whereby we shall be sure that sound principles of banking shall be observed and whereby this provision shall not be used as a means of kite-flying by the bank.

Mr. WHITE: I used the term 'sound principles of banking' to explain to my hon. friend what the banks should do, but the power of the banks, so far as proper banking is concerned, on their note issue, is not enlarged in the slightest degree by this proposal. Istead of issuing Dominion notes which they get by depositing the gold at the present time, they issue their own notes against the deposit. I hope my hon. friend will come to the committee and hear that discussed.

Mr. OLIVER: I do not wish to delay the House at this point and I may be dead wrong, but I put it to my hon. friend this way: is there a profit to the bank on the circulation of its own notes?

Mr, WHITE: If not secured by gold, yes.

Mr, OLIVER: Precisely. Now then, a bank has $100,000 in gold; it has a right to issue $500,000 of bills of its own, its capital being $500,000; it has only $100,000 in gold and Dominion notes; we will assume it does not dare to issue the $500,000 in bills and only dares to issue $400,000; under this provision it can take its $100,000 in gold and put it into the central reserve fund and get another $100,000 in bills put in circulation among the people.

Mr. WHITE : Will the hon. member just stop there—it could take $100,000 also, under the present system, go into the Assistant Receiver-General's office and get $100,000 in Dominion notes and hand them out just the same way, and it has not the gold any more than under the provisions of this Bill.

Mr. OLIVER : If there is no difference from the present conditions, then why this provision in the Bill ?

Mr. WHITE : In the first place, there is a very great expense to the Dominion in printing these notes. It was never intended that the Dominion should print notes beyond the denomination of $2. On account of the great pressure one year ago last fall my predecessor had to issue several million dollars' worth of 4's, and last fall $10,000,000 worth of 5's were issued. My hon. friend will find when the estimates come down, a very large sum for engraving these Dominion notes. Apart from that, there is the further consideration which my hon. friend will be surprised to learn, namely, that there have been runs on banks by reason of the circulation of Dominion 4's and 5's. It is not rational, but it is a fact. The public have come to the conclusion that the bank is up to the limit of its own note circulation and has to pay over the 4's and 5's of the Dominion, and the bankers would rather circulate their own notes than Dominion notes over their counters for that reason. There is no reason why the Dominion should bear the expense of printing notes for the banks to circulate against gold deposit in the Receiver-General's Office. At the present time, the accommodation in all the Receiver-General's office is much congested by reason of the supply of gold we carry for the banks and which the banks should really carry themselves, and I am considering a Bill to provide that the banks shall pay for that accommodation, because they practically make us warehousers of their gold. There is no reason why the Dominion in the first place should pay for the notes which the banks circulate, and, in the second place, there is the objection which the banks have to paying out Dominion 4's and 5's over the counter, because the public do not understand it.

Mr. OLIVER: I see I cannot convince the Minister of Finance and I regret to say that he has not convinced me, because I submit it costs the bank as much to print the bills as it does the Government, and unless there is something for the bank in it they would not print the bills.

As to section 88, I support what my hon. friend from Regina (Mr. Martin) has said in regard to the necessity of some notice being given to the ordinary creditor if this lien is to be taken by the bank upon the farmer's grain or cattle. It is very desirable that advances should be made as

contemplated by the Bill but I think that in the Committee the Minister of Finance would be well advised to consider all the circumstances surrounding this proposal and make further provision than is contained in the Bill at present if it is proposed that it shall be an actual benefit. I am sorry to say that under the circumstances at present in the West with the banks absolutely restricting their lines of credit, there would be small chance even under this provision for a farmer to get the accommodation it is hoped he would get under this provision of the Bill. In any case there ought to be provision that will look to the protection of the interest it is intended to protect because as the clause stands at present I would be afraid that in its working out instead of its adding to the credit of the farmer it would detract rather from his credit. I quite agree with the desirability of the principle contained in this section of the Bill, but I think it should be worked out in detail carefully in order that the advantage expected from it may result.

In regard to section 99 providing for banks amalgamating, I wish to say that in my humble judgment it is in the last degree undesirable that there should be legislation, no matter whether it exists now or whether it is going to exist, contemplating the merging of banking institutions. It must be evident that we need competition in banks as we do in every other line of business, so far as we can get it. If in our legislation, we make provision for the absorption of one bank by another, we are giving the opportunity, we are giving a reason to the large bank to squeeze out the smaller bank, because by taking the right action at the right time, it will be possible to acquire the assets and the business of the smaller bank. While it might seem to be a contradiction of terms, I do say beyond any question that above everything, each bank, as chartered by this Government of Canada, should stand absolutely on its own feet until it comes to its own finish. There should be no amalgamation by any authority short of the Parliament of Canada. In the interest of preserving the weaker bank and in the interest of competition in banking as opposed to the principle of provision being deliberately made, in case the big bank gets the small one into a corner, for the easy absortion of the smaller bank, it is very desirable that there should be no amalgamation.

It is desirable that we should have more banks and not fewer banks. While we should be careful about the security of our depositors and our note-holders, I do not think we can afford to depend upon the

Mr. OLIVER.

care and consideration and philanthropy of rival banking institutions to protect the public in the interests of the public. The criticism I want to make of this Bill as it stands, and as it appears to me, is this: We are recognizing these banking institutions as a stupendous organization. We are recognizing them as having an independent authority. We are delegating to them authority that this Parliament should not delegate to anybody except the Government that exists by reason of its will. It is our business to do everything possible to protect the interests of our depositors, to protect the interests of our note-holders, but we cannot do that effectively by delegating our authority to the existing banking organizations. My criticism of this measure, and I say it without prejudice, is that it tends to create an empire within an empire. It is an indication that the people of Canada—I do not say the Government—are afraid that they are unable to protect their own interests on their own responsibility. It is above everything desirable that the Government of Canada should do its duty in regard to this matter, which is of the greatest importance of all the subjects that come before us for our consideration. It is absolutely desirable that we should take the full responsibility for our actions and that we should act in the interests of the people who sent us here. There was a time when people looked at railroads as this Bill looks at banks, as something that was a beneficence come down for the benefit of the people. The country has got past that stage in regard to railways; and we have provision in Canada for taking care of the public interests where they come in contact with those of the railways. In my humble judgment, the time has come—when our banks are making the money that they are making, when our population has increased to the extent that it has increased, and when we have the knowledge of what has been done in other countries as well as our own—when this Parliament of Canada should deal with the banking question as it has dealt with the railway question, not in a spirit of hostility to our banking institutions, not in a spirit of hostility to the capital invested in them, but with a due regard to the interest and the safeguarding of the interest of the people whose business depends on the circulation of the money and on the credit business that is transacted through those banks. It is for this Parliament of Canada to say that the banks are not the masters but the servants of the people of Canada.

Mr. J. J. HUGHES (Kings, P.E.I.): When the hon. Minister of Finance moved the second reading of his Bill, he invited criticism on it. Several of the members of this

House, in the discharge of what they believed to be their duty, have criticised the Bill pretty fully. As this criticism went on, according to my way of looking at the subject, some erroneous opinions were advanced. Perhaps it will be well if some explanation or answer was given to those opinions. At this late hour of the evening I will not attempt a criticism of the Bill that is now before us, because that could be done better in the committee stages of the Bill. The observations I have to offer will be along more general lines. I think they will remove some of the misconceptions which I believe are held by some of the members of this House. Modern banking as we have it in this country may be described as the handmaid of industrial and commercial life. The banks are so interwoven with our commercial system that without the assistance that the banks have given, and are giving our industrial and commercial life these activities would not and could not prosper. I think that we who are living now in Canada have every reason to be proud of the men who organized and established this Canadian banking system. It is a system that has so strengthened and developed the industrial, and commercial life of our country, tht the business men of this country, as compared with the business men of other countries, particularly those of the country to the south of us, scarcely know what commercial panic means. I say, then, we have much reason to be proud of the business ability of the men who organized and established this system. And I will go further and say, we have reason to be proud of the men who have managed this system from the beginning down to the present day, nothwithstanding the fact that some unworthy men have entered the profession, men who fell in the hour of temptation, men who by their unworthy conduct brought ruin upon themselves and great loss and inconvenience upon many other people. But this loss and inconvenience, so large and so hard to bear in individual cases, is exceedingly small compared with the troubles that have arisen under the banking system in other countries and particularly in the neighbouring republic. And the losses, so great to the individuals who may have suffered them, are exceedingly small, as has been pointed out by the Minister of Finance, when compared with the whole amount involved at any one time.

There are two leading functions in banking as we have it in Canada. The first is to gather up small sums of money, the savings of the people whether large or small but generally speaking the small savings of the people—savings that would remain unused and unproductive in many cases—and to loan these savings to the business community to be used in the various trade activities in which the people may be engaged. And the second function is to give safe, easy and economical transportation of money from one point of the country to another and easy, cheap and absolutely safe transmission of money from one country to another. For these two functions the branch bank system is the best that has yet been devised. There is another feature of banking, and that is the issue of the notes or circulating currency that passes from hand to hand to enable the people to carry on the multitude of transactions that go on all over the country every hour of the day. This is an important function of banking, but not essential. There does not appear to me to be anything abstruse or in any way technical in these different functions. The loaning of money, the giving of credit in any form, but the lending of money particularly—and more particularly still the lending of money belonging to other people—requires a great deal of prudence and a great deal of judgment. Therefore, the banker should know when, and where, and how, and to what amount, to lend money; and he should know—it is almost equally desirable that he should know—when, and how, and under what circumstances to refuse to lend it. He should therefore have a general business knowledge, a general knowledge of the value of the commodities in which his customers deal, and of the trend of the markets.

It has been suggested in this debate that the present system of banking draws away the money from the villages and towns and the rural districts of the country and concentrates it in the large centres, to be loaned in large blocks to great corporations and industrial concerns, and perhaps to the stockholders, thus impoverishing the outlying portions of the country by draining their resources and making it difficult for the small manufacturer and retail merchant, and perhaps the farmer, to carry on his business or occupation. Even if that be true, it is a charge against the management and not against the system. I do not know whether it is true or not. It may be true to some extent; certainly it is an opinion that is widely held. If true, I do not see how legislation can prevent it. I am inclined to think that the bank managers of the country as a whole would not wish to enrich any part of the country at the expense of any other part; and I believe that if this evil exists to any serious extent, strong public opinion must be able to regulate it. I believe that the bank managers as a whole would not care to have public opinion aroused in regard to the management that would bring about such results as this. Therefore, discussions

of this kind, discussions such as we have had in this House and such as will take place before the Banking and Commerce Committee, if carried on seriously, will and should have the effect of making some improvement along this line.

It has also been stated in this debate that the banking capital of this country is too small. That has been stated I think by the hon. member for South York and other hon. members. It would be a surprise to me if it were otherwise. In a young country like Canada, where development is going on very fast, in which the commercial needs of the country are increasing from day to day, it would be a surprise indeed if the savings of the people---for four-fifths of the banking capital and perhaps more, is made up of the small savings of the people---should keep pace with the demands of another portion of the people. It seems to me the suggestion made by hon. members who complain of the want of capital would have the effect of accentuating the grievance. The hon. member for South York called attention to the fact that there was a very small proportion of foreign capital invested in the banks of this country. The inference I would draw from that is that, in the estimation of the capitalists of Great Britain and other countries, banking does not offer returns as profitable as do other forms of investment in this country. I think, therefore, it would be very unwise if by legislation we add to the burden of the banks, or make their business more unprofitable than it has been in the past. I think it would have the effect of driving capital away rather than attracting it.

Reference was made by some hon. members who complained of the want of capital, to the small proportion of the savings of the people that found their way into the government savings banks, and it was suggested that the regulations of the government savings banks should be changed so that a much larger proportion of the saving of the people would find their way into these institutions. The savings of the people are limited, and if a larger proportion is put into the government savings banks, this must necessarily reduce the deposits in the chartered banks, which constitute four-fifths of their loanable assets. In my opinion this would bring about a great injury to Canadian commercial interests. The chartered banks of the country are prohibited—and wisely—from locking up their funds in real estate and real property; the successful banker is always trying to keep his funds in the most liquid form possible, so that he will be able to serve the needs of the business community to a much greater extent. Another feature of the matter is that the savings of the people, in going into the government savings bank, therefore go out of circulation to a certain extent, as they are used for the permanent public works of the country. I consider it highly undesirable that the Government should make any regulations in regard to the government savings banks which would tend to detract a large proportion of the deposits from the chartered banks. It would be very much better that the Government, if money is required for the permanent public works of the country, should obtain it from the foreign market, allowing the money accumulating in the savings banks of the country to be used for current requirements.

Reference has been made in this debate to the large reserves that are held by the banks, and the statement was made by some hon. gentlemen that the one hundred odd millions of dollars held by the banks as accumulated reserve is taken out of the people of the country. This statement was received with commendation by some hon. gentlemen, though I think it was untrue—untrue in the sense in which it was uttered, and the sense in which it was understood. The reserves of the bank are the result of long years of careful, prudent and economical management on the part of the banks; they are the result of long years during which the shareholders were content to accept very low dividends, and allowed the earnings to accumulate; they are also the result of the premiums that were obtained by the sale and allotments of new stock from time to time, and cannot therefore in any sense of the term be said to have been taken out of the pockets of the people of Canada. Moreover, these reserves practically double the working capital of the bank, and thus meet the needs of those who are interested in seeing more financial capital in the country. Of course, if the reserves were in the shape of actual capital, it would enable the banks to have a larger circulation and perhaps relieve the wants of the business community to a greater extent; but the reserves are an indication of sound, safe, prudent and conservative management, and when we hear of the large earnings made by the banks, we must in all cases take the reserve into consideration. I think the hon. member for West Toronto (Sir Edmund Osler) was misunderstood when he spoke on this subject the other evening. He stated that the Dominion Bank had earned on its capital during the last year eighteen per cent, and I noticed at the time several hon. gentlemen accepted that as an indication that the bank's earnings were too large. But it will be seen that the eighteen per cent which the bank earned upon its capital, is less than eight per cent of its capital and reserve—surely not

an undue rate of interest, considering the value of money in other commercial enterprises. It was stated at that time that the earnings of the banks on the free money, that is the capital of the bank proper, the reserve, the note circulation and the non-interest-bearing money on deposit, were not over four per cent, which is surely not excessive.

It has been suggested that all the banks should in some way guarantee the deposits of each. That seems to me most unreasonable, it would be unjust and unsound in principle and would soon become unworkable. To make any body of men responsible for the business of another body of men in the management of which they had no voice would seem to be so unjust that it need only be stated to be rejected. The suggestion was made that as all the banks guarantee the circulation of each other they should, in the same way guarantee deposits, but the two things are entirely different; the men who hold the notes of the bank are forced creditors of that institution, the money is in circulation in the business of the country and people are practically obliged to accept that money. The depositors, on the other hand, can select where they will place their money, they are not forced creditors, and so are in a different position. Any system by which the banks would be compelled to guarantee the deposits of other banks would be unworkable.

There appears to be quite a strong public feeling in favour of some sort of government inspection of banks. The Minister of Finance has pointed out what appears to him to be a better method than government inspection, but as has been said, wherever trouble has arisen in banks it has not taken place at the branches but rather at the head offices, and it would therefore seem to be possible to have some government inspection which would satisfy public opinion which has to be considered and that might be acceptable to the banks and made workable by them. A Minister of Finance should be able to secure competent men to carry on this inspection; they would of course need to have considerable banking experience, but there should be no real difficulty in establishing a government inspection that would satisfy the public requirements and would be a real aid and guarantee to the Government that the management at the head offices of all the banks was along proper lines. Many things might be said in favour of a government inspection, one argument being that it would give the public greater confidence in our banking system and so unlock money that is now stated to be lying idle in some parts of Canada, which would be to the advantage of the whole business community.

A good deal has been said in favour of an external audit of banks by the Government. Much can be said in favour of the principle that the shareholders and directors who are largely interested in the banks and who ought to be responsible and take the greatest interest in their management should not be relieved of their responsibility by the Government assuming a part of it. I have presented these remarks in a general way because they have reference to the main features of a system which has been admirably adapted to the needs and requirements of a country like Canada. No better system could be devised than the branch system in a new country like this of immense area and limited population where we have to gather up the small deposits of the people and distribute them again to those who need them. It has worked well in the past and it will be a most unfortunate thing if, because of some local disturbance occasioned by the mismanagement of the Farmers' Bank or any other bank, any radical change should be made.

Mr. ROCH LANCTOT (Laprairie and Napierville): (Translation.) Mr. Speaker, I am glad to see that the House is taking an increasing interest in the discussion of this Bill and also that hon. members who have spoken hitherto have expressed themselves in favour of a general overhauling of the system. I think it is in order to congratulate the hon. member for St. Johns and Iberville (Mr. Demers), who has been the first to draw the attention of the House to this matter. Unfortunately our bank system has worked disastrously in this country, and especially in the constituency which I have the honour to represent in this House. I refer to the failures of the People's, Villemarie and St. John's banks. Through these three failures, the people in Laprairie and Napierville lost close on one-half million dollars. Mr. Speaker, who were the heaviest sufferers in these three bank failures? Small depositors, mostly belonging to the farming and labouring classes, who eked out a living in the county and had succeeded in laying aside part of their earnings. For the whole Dominion the total amount of such savings reaches 700 millions. Those who profit by such savings are the large business men, merchants and traders generally, not the depositors themselves.

In the election which followed the failure of the St. Johns' bank, my opponent was Mr. Siméon Beaudin, now a judge of the Superior Court at Montreal. I may point out that the election took place a few months after the bank had failed. What stand did Mr. Beaudin take? He promised to the electors of Laprairie-Napierville that, should he be returned on October 26th,

he would introduce a Bill providing for the appointment of bank inspectors under the control of the Finance Department. That was the first plank in his platform. Mr. Beaudin was defeated and I was returned on October 26th, 1908.

However, previous to Mr. Beaudin being a candidate in the constituency, I had taken the same position and pledged myself before the electors to ask, when the revision of the Bank Act would come up, the appointment of inspectors, and in a general way to work, as in the past, for the furtherance of their interests.

So I propose fulfilling to-day the promise which I made to my electors, and I call upon the Minister of Finance to provide for the appointment of inspectors under his department.

I only wish the hon. Finance Minister had followed the electoral campaign which was carried on in 1908 in my constituency. He would have heard that eminent lawyer, Mr. Beaudin, discuss that question with ardor and conviction. I believe that the House as a whole—there may be a few exceptions—is in favour of changing the law so as to bring about some improvement and safeguard the interests of the labouring classes.

You will have some idea, Mr. Speaker, of the injury resulting from those bank failures, when I tell you about two particularly sad cases occurring in the county where I reside. The first has reference to an old man eighty-two years of age who had sold his property with a view to settling for the remainder of his life in one of the towns of the county. The amount received in exchange for his property, he deposited in a branch office of the bank of St. Johns, at St. Remi. Four months later, the bank closed its doors, never to open them again. This old gentleman, who was a friend of mine, lost all he possessed, that is the sum of $5,000. Worry and grief ended his days, and when he died he was dependent on public charity for his maintenance. The second instance is that of an old seamstress who for thirty years had been doing work in the town of St. Remi. She also lost the whole of her savings which she had deposited in that same branch office.

As yet no dividends have been paid to depositors, the winding-up of the bank's business being still unfinished, but I do not think depositors will receive 5 cents on the dollar. As you see, Mr. Speaker, these poor people are not in a very enviable situation.

It is now proposed to appoint inspectors, but I am satisfied that bankers will not have it, as they are opposed to let inspectors pry into their business. I had occasion to talk the matter over with a bank manager who is an intimate acquaintance, and he made clear to me why bankers were averse to the appointment of such government inspectors, who would thereby be in a position to size up the liabilities of their patrons. He instanced the case of a patron who, he said, after doing for a period of ten or fifteen years a prosperous business, finds himself on a sudden cramped for funds, owing to heavy losses resulting from a slump on the market or some other cause, without any fault of his. In such a case, should not some discretion be shown in reference to that man's business? The bank manager is the only man in a position to say whether or not a loan is advisable to enable this man to continue his business. Of course, there is a good deal to say in favour of such a view.

But just think what kind of management they had at the bank of St. Johns, when a single patron, who was quoted at three or four thousand dollars at most, could borrow as much as $397,000. Had there been a government inspector, he would have reported that the manager was acting in bad faith, and in collusion with that patron. Had an inspection taken place at the proper time, such a thing could not have occurred.

I am pointing out to that circumstance as the counterpart of the views expounded by the bank manager to whom I have just referred and who contended that a system of inspection was not desirable as it would make known the financial circumstances of the bank's patrons. My conclusion is that inspectors should be appointed under the control of the Department of Finance, who would be expected to keep posted on the bank's business, and more particularly that carried on through the head office. As a general rule, it is not through their branch offices that banks lose money, as was pointed out by a previous speaker; it is well known that banks open branch offices in the country merely with a view to secure funds, which are then forwarded to the head office. That is what happened in our district.

I may state in passing that banks might carry on a splendid business with farmers and with the assurance of being reimbursed; but they refuse to deal with farmers worth ten, fifteen or twenty thousand dollars, and the money supplied by the rural districts is sent to the large cities for the benefit of high financing. Some of it is even sent across the border. The Act, I say, should be amended so as to put the farming community in a position to take advantage of the capital supplied by the country people, instead of putting the whole of it at the disposal of the big city speculators. I believe farmers would make as good use of it as they do.

Many a time have I discussed this bank question with constituents of mine of either

party. The thought suggested itself to me one day to tell them that, to my mind, all banks should be mutually responsible; that is to say that should one bank close its doors, all others should be expected to come to its rescue.

I stated further that the Government of the Dominion should be called upon to assume part of the liabilities. I think there is evidence showing that the bank of St. Johns has inflicted on its depositors a loss of $700,000. Should my suggestion be accepted, that is, should the Government assume one-half of the liabilities, and the bankers—who are averse to inspection—assume the other half, as there are in the Dominion about thirty banks, that would mean an average contribution of $11,666 towards making up a total contribution of $350,000, in addition to a contribution for an equal amount forthcoming from the Government. After all that would not represent more than the thirty-fifth part of a super-dreadnought. I believe my constituents would prefer that the Government should pay such an amount rather than construct three dreadnoughts.

Let us now take the case of the Farmers' Bank. The losses are estimated at $1,100,000. The associated banks would be called upon to pay $550,000, which would mean for each one of them an average contribution of $36,666, that is the 22nd part of the cost of a dreadnought; and the Government's share would also be $550,000. I believe that the farmers of Ontario, especially those who have lost money with the Farmers' Bank, would be as happy as the farmers of the province of Quebec should the Government reimburse them that money, instead of building dreadnoughts.

As it is getting late, and as we shall be given an opportunity to consider this Bill later on in Committee, when further remarks will be in order, I shall refrain from saying anything more just now.

Mr. J. M. DOUGLAS (Strathcona): I wish to address a few observations to the House on what are in my judgment defects in the present Bank Act. We have heard general praise as to the model bank system which we in Canada possess. We have been told that we have the best banking system in the world, but in my view there are other systems that might be of greater benefit to a new and growing country like Canada. I do not know that I would go so far as to advocate a very radical change in the present system, but at the same time I see some defects in it which should be pointed out. The question as to whether centralization of banks is a good thing for a new and growing country is a question which to my mind requires a great deal of study. The Western part of the United States was largely built up through the state banks, and the result of that system was that the men at the head of those smaller banks knew the local conditions and were in a position to judge whether a loan was of value and whether the improvement of a particular district would be beneficial. Under our centralization system, the difficulty is that every loan of any account must be submitted to and passed upon by the central office, and so it all comes down in the end to a question as to whether or not the local manager is big enough for his job. Very often if we get a local manager who has backbone and is a man of sound business judgment the branch system works out to advantage because he has the nerve and the ability to put the case before his head office in such a way that the loan is granted. A question has been raised here as to the ease with which farmers get money from the banks. I have a good deal of experience in dealing with farmers in western Canada and my experience has been that, in western Canada particularly the farmer is not easily granted credit by the bank. I know for a fact that in the West it is impossible for a farmer to get money at the bank, no matter how much his assets may be unless he has an endorser, which in itself is a very crude method of compelling borrowers to put themselves in the humiliating position of having to get their neighbour or a business man in the town to endorse for a small amount. The question of the rate of interest is, in my opinion, not one that we can effectively legislate in reference to. The present Bank Act states that banks shall loan money at the rate of seven per cent but, as a matter of fact, the prevailing rate of interest throughout western Canada is, at the very lowest, eight per cent, and in some cases it is as high as nine and ten per cent. If a clause were inserted in the new Bank Act prohibiting the banks, under penalty, from charging any more than seven per cent it would be a step in the right direction. I had occasion to meet a man recently who wanted to borrow two thousand dollars for the very laudable purpose of putting stock on his farm. Under our banking system the banks could not advance him that money and the loan companies would not and he was forced to borrow from a private individual and pay nine per cent, giving a first mortage on a farm worth $20,000. That is not a healthy condition of things in a rich and growing country like ours. One thing that I object to very strongly in our present system is the practice of the banks taking the money of their shareholders and their depositors, and when it suits their purposes loaning that money on Wall Street, although it is greatly needed for the development of our own country. The fact that when money gets tight the banks of Canada immediately transfer an immense amount of their

capital to loans on the New York Stock Exchange, getting as high as sometimes twenty per cent, is to my mind very reprehensible. If a clause were put in the Bank Act prohibiting the banks from loaning more than ten per cent of their capital in foreign countries, it would, I believe, go far towards stopping this sort of thing. I do not know whether we can pass such legislation but at all events something should be done to prevent legitimate enterprises in Canada being crippled through the manipulations of our banks in foreign countries. The Minister of Finance has stated that government audit of banks is not a reasonable form of audit, and he makes the contention that on account of the great number of branch banks it would be a cumbersome process and would not be efficient. It has been stated in this House that a great number of defalcations have taken place in the head offices and that being the case it would not seem to be very difficult to supervise the head offices from the Finance Department. As a matter of fact, in the branch offices, everything depends on the capability and character of the branch manager, and his recommendation is what the head office accepts. I think it would be quite feasible to leave the branch offices out of the government audit. A great deal of compaint has been made in western Canada as to money conditions and among the farmers we have heard a great deal as to the feasibility of the Government establishing a system of loaning on lands similar to the Australian system. In a country requiring such rapid development as ours, that system, if it could be evolved here, would, I believe, be of great benefit. In Australia the government lends to farmers on the security of their lands, a liberal amount for certain purposes, such as the improvement of the land, fencing, breaking up and putting under cultivation, buying machinery, and placing stock on the farms. That system has been generally discussed in farmers' organizations in the West and it has met with universal approval. This, of course, is going a long step ahead and although it may flavour of paternalism in government, it is a question which the Government would do well to consider seriously. I am in favour of the provision in clause 88 of the Bill, which enables the farmer to borrow on his live stock and grain, but I am afraid that this provision is not going to be of very material benefit to the farmer, because, in my judgment, the bank manager will only loan to men to whom he would loan under the present system. A man's character largely determines whether he is going to get any money from the bank, and on account of the long distance and the difficulty of overseeing whether the man has the stock and grain, and the danger that he may have already borrowed on it, the bank manager is not going to take chances. However, the clause is a step in the right direction, and I am glad to see it inserted in the new Bank Act. There is one question which perhaps does not bear very directly on the Bank Act but still I would like to touch on it for a moment, and that is as to the salaries that bank clerks are paid in western Canada. The low salary paid to these employees has become almost a scandal, and in view of the good dividends which the banks are earning I think it is only right that they should increase the salaries and in that way secure the services of young men who, when the time came for promotion, would be more capable of managing branches than some who now hold these positions.

Sir WILFRID LAURIER: On account of the lateness of the hour, is it not the intention of my right hon. friend that we should adjourn the debate?

Mr. BORDEN: I would not have begun the debate to-day, except on the understanding that we would get through to-day.

Sir WILFRID LAURIER: I simply told my right hon. friend that I expected we would get through to-day, but I understand several hon. members on both sides of the House wish to speak yet.

Mr. BORDEN: I am not aware of any gentleman on this side of the House who wants to speak at this stage. It is to be borne in mind that we have not only the proceedings in Committee, to which it is proposed to refer the Bill, but we have also the Bill in Committee of the Whole House and the Bill upon the third reading after that, so that there is abundant opportunity for the expression of opinion by every hon. gentleman. I should like very much to get this Bill into Committee. If it does not go through the second reading now, it will probably have to stay in the House for four or five weeks.

Sir WILFRID LAURIER: I also think the Bill should go as quickly as possible into Committee, but it so happens that the debate is not yet exhausted, and I think the time has now come when we should adjourn. Besides this debate, part of the afternoon was consumed by another question.

Mr. BORDEN: I would not have brought on the Bill except that I thoroughly understood, whether rightly or wrongly, from my right hon. friend that there would not be the slightest difficulty in getting through the debate to-day, so that the Bill might be got into Committee. I may have misunderstood my right hon. friend; but I certainly understood from him that we could get through with the Bill to-day.

Otherwise I would not have brought in the Bill, but would have gone on with some other business.

Sir WILFRID LAURIER: If we had not proceeded with the Bill to-day, we would not have got on so far as we have now. In the conversation I had with my right hon. friend he asked me if he thought we could finish the Bill to-day, and I said that I did not see why we could not come to a conclusion; but I certainly did not bind myself that we could come to a conclusion. If my right hon. friend so understood me, I did not intend to convey that impression at all. I did not say so.

Mr. BORDEN: Well, we will go on for a little while.

Mr. HUGH GUTHRIE (South Wellington): There are only one or two aspects of the Bill which I desire to discuss in particular, as the hour is so late. If I might offer my own opinion in regard to the Bill now under discussion, I would say that, having regard to the magnitude of the subject to which it refers, one would almost assume that one day or two days further would be permitted for discussion on the second reading of the Bill. I think it was my hon. friend the member for North Ontario when speaking on this Bill when it was last before the House, who stated that the discussion on the second reading should be prolonged; I think he said for a week or two. From the applause with which that remark was greeted by hon. members who heard him, I quite thought that a great many members on the other side of the House wished to take part in the discussion on the second reading. We seem all to be agreed that it is one of the most important Bills that has come before this House. While there seems to be considerable uniformity of opinion in regard to the general principle of the Bill, as enunciated by my hon. friend the Minister of Finance, I fancy that when the Bill does reach the committee stage, many amendments will be offered. I was glad to hear my hon. friend the Minister of Finance state that he was approaching the question with an open mind, and would seriously consider amendments as they should be proposed. I do not quite view the proposal as it is viewed by my right hon. friend the Prime Minister, if one might judge from the remarks which he offered to the House this afternoon. I think in all probability he views it from the standpoint of those who are engaged directly or indirectly in banking as proprietors. I would rather view it from the standpoint of those who deal with the banks, either as borrowers or depositors, because to my mind a banking Bill, such as the one before us now, creates or rather carries forward what is more in the nature of a public utility than purely a matter of private concern. We look on our great transportation lines in this country as public utilities; we prescribe rather strict laws in regard to their organizations and their management, and we prescribe a special court of independent people to pass laws or make regulations in regard to utilities such as the railways, the express companies, and the like. In regard to the great banking institutions of the country, there is practically no court of revision, if I may so put it, at least for a period of ten years at a time, unless the revising body be the bankers themselves under that association known as the Bankers' Association of Canada, incorporated by public Act in the year 1900. Having regard to the fact that this law when enacted will be practically unaltered for a period of ten years, I think the House should have the very fullest information at the time of the second reading as well as when we go into Committee, as regards the general scope of the Bill. I gained considerable information to-day from the remarks of my right hon. friend the Prime Minister. One difficulty which the vast majority of the members of the House experience, is a feeling that we have insufficient knowledge, that most of us in regard to the matter of banking are, comparatively speaking, laymen, we have not a sufficient amount of accurate information. I must say that I shared the view, expressed by my hon. friend from South York (Mr. Maclean), that the reserve or the rest fund of the banks of Canada was, so far as the greater portion of it is concerned, money which was not directly paid in by the stockholders. The opinion throughout the country is almost universal that the reserve or rest fund carried by the various banks is created out of profits. My right hon. friend the Prime Minister placed the matter very clearly before me, at least, this afternoon, in regard to one bank; I assume it was the Bank of Nova Scotia with regard to which he was speaking when he stated that out of the eight millions approximately which constitutes the rest fund of that bank, about eighty per cent is money paid in by the shareholders of the bank itself, and about twenty per cent is contributed out of the profits of the bank. Had it not been for the statement of my right hon. friend, I should have reversed the figures. I was under the impression, and I think it was the prevailing impression in this House and throughout the country, that a small proportion was contributed by the stockholders but by far the greater proportion came out of the profits of the institutions accruing from year to year and not required for payment of the

dividends. The approximate amount of rest funds which the banks now doing business in Canada have accumulated, I believe, is $106,000,000. In addition to this there is about $114,000,000 of capital actually contributed by the shareholders; or a total amount say, of $200,000,000 in round numbers contributed by shareholders leaving a balance of $20,000,000, the estimated amount which is taken from the profits of the banks. I hardly think that the statement of the Prime Minister with regard to the Bank of Nova Scotia could be borne out in the case of the other banks. I do not think the other banks have followed on lines quite so conservative as those which my right hon. friend intimated had been followed by the Bank of Nova Scotia. I think a much larger proportion than the right hon. gentleman stated will be found to have been contributed, so far as other banks are concerned, out of their profits. I think I should be within the mark if I were to say that between fifty and sixty per cent of the rest or reserve fund of the various banks is made up of money produced from the profits of the institutions and the balance from the contributions of the shareholders. That is only of importance when we consider what is the real banking capital of these institutions, as viewed by those who own the institutions. It was stated here by my hon. freind from South York (Mr. Maclean) that the total available money for banking purposes at the present time in Canada was about $1,400,000,000, and only ten per cent of that vast sum had really been contributed by the shareholders. I think, now, having the further information supplied by my right hon. friend the Prime Minister, that the statement of my hon. friend from South York is probably an incorrect statement. At the same time I think I should be quite within the mark if I were to say that twenty per cent of the total available money used by the banks of Canada was contributed by the shareholders and eighty per cent contributed by the general public who use the bank. Assuming that the total deposits of the people of Canada are approximately $1,100,000,000, and that that amount is made up of current deposits $376,000,000 which do not bear interest, and savings bank deposits $635,000,000 which do bear interest at three per cent, one will see that the free money is equal to about fifty per cent of the interest-bearing money—that about one-third of the total amount of deposits in the banks is left there by the people as free money. These people use the banks for their convenience, and the banks certainly afford them great convenience. But the banks have the use absolutely free of cost of that enormous sum of $376,000,000, upon which they earn, I think, I am safe in saying, from 6 to 7 per cent annually. And when one considers that they pay to the savings bank depositors only three per cent, and also that the Government of Canada cannot borrow money at three per cent, but, as I believe I am correct in saying, must pay from 3½ per cent to 4 per cent for its loans, it does appear that the savings bank depositors of this country are not receiving a fair return for their money. I know it will be said that you cannot very well legislate in regard to the rate of interest. I know it will be said, and with some force, that you should not legislate in regard to the rate of interest. I believe there is a great deal of force in that saying; and, while we may and do pass laws on usury, and though we may have a clause in the Bank Act which is being re-enacted in this Bill to regulate the rate of interest, yet these enactments are of little or no avail. Competition is really the factor which regulates the rate of interest, where competition is allowed. But under the system of banking at this time in vogue in Canada and authorized by law, there is practically no competition in regard to the rate of interest allowed on savings bank deposits. I believe that it is not incorrect to say that the rate of interest is practically arranged by the Bankers' Association themselves. I have heard it said by bankers that they were not permitted by the Government of Canada to increase the rate of interest allowed on savings bank deposits, for the reason that the Government itself only allows in its savings banks 2½ per cent. That is the excuse I have heard given on more than one occasion by bankers themselves. I have urged upon them the propriety of allowing 3½ per cent or even 4 per cent in their own interest, because I believe that it would result in their having larger and more permanent deposits. But there is always this fact which can be urged against any argument which one can use with the banks—that the Government in its Government and Post Office Savings Banks only allows 2½ per cent. I do not believe we can make any satisfactory enactment which will regulate the amount which banks must allow on savings banks deposits, but I believe the Finance Minister and Government have it in their own hands to regulate it in another way. All the Government has to do is to increase the rate allowed in the Post Office and Government Saving Banks to 3½ or 4 per cent and the chartered banks of Canada will be obliged instantly to respond to that increase. This is important in this aspect of the matter. I know men who have heavy savings bank accounts, but it is not so much in regard to such men that I make this argument as

in regard to the small savings bank depositor. There are innumerable deposits of sums ranging from $10 to $1,000. I would like to know for my own satisfaction the proportion of the whole sum of $635,000,000 which consists of deposits of less than $2,000. I know that in my own city—and I believe it is the same in every city in Canada—the mechanic, the artisan, the labourer, and the clerk in the store use the savings bank. I know that the farmers use it almost universally, and I believe they are not receiving a fair return for their money. Why not change the present government regulations in regard to post office and government savings banks in such a way as to enable the mechanic and the farmer, in utilizing these banks, to obtain for their money just as good a rate of interest as the Government pays for the money it borrows from other countries? I do not believe that a hard and fast rule with regard to the rate of interest would be practicable, but I do believe that this proposal would be decidedly in the interests of the savings bank depositors in this country.

In the province of Ontario the people are following with a great deal of interest the discussion in this House with reference to the Bank Act, and there are many other matters in relation thereto with which I would like to deal on this occasion, but at twenty-five minutes to one in the morning one cannot go as thoroughly into the matter as one would wish. The Prime Minister states this matter will go before the Banking and Commerce Committee, but, in view of the fact that this committee is composed of less than one-half the members of the House, that its meetings are attended by but from thirty to forty of those members, and sometimes even less, I think it is necessary, if one wishes to have one's view placed before the House, that one should take advantage of the opportunity afforded by the second reading of the Bill. However, the clause to which I desire particularly to call the minister's attention is section 88, in regard to the privileges extended to the banks to deal in securities known as warehouse receipts. I am aware that a very large proportion of the business of this country is conducted under section 88 of the Bank Act, and that it is of great importance to many of our large banking concerns that the principle of that clause should be adopted. I am aware also that there are very grave objections to creating what are known as secret liens or secret preferences, and we must at once acknowledge that a warehouse receipt does give a secret lien or preference to the bank. I would not like to go so far as to suggest that those liens should become registered documents as chattel mortgages, bills of sale or the like, as I believe that very great inconvenience would result to the business of the country if such a requirement were made by law. On the other hand the clause has operated so adversely to a very important section of the community that I believe, unless some amendment is made to the clause as it now stands, the wages of a large number of the mechanics and artisans of the Dominion will be placed in serious jeopardy. In order to emphasize this statement, I wish to cite two instances that occurred in the city of Guelph within the last couple of years, both arising under section 88 of the Bank Act, and both operating very satisfactorily for the bank, but very injuriously to the unfortunate workmen in the factory. One was the case of a large furniture factory, and the bank in question was the Dominion Bank, which had made loans under the authority given it by the Bank Act, on the furniture in the course of construction, as well as the finished product of the factory. These liens were, under the law, perfectly good, and none but the bank and the company knew of their existence. The workmen went on from week to week improving the security of the bank, putting their labour on the goods from day to day, not knowing that the company was involved or that the warehouse receipt existed. Suddenly the bank closed down upon the company, and the company went into liquidation. All the material of the factory and the goods in the process of manufacture were covered by the bank's warehouse receipt, aside from the office furniture, which, I believe, was hardly sufficient to pay the costs of liquidation. The real estate was mortgaged, and for two or three weeks previous to the assignment, the men had not been paid their wages. In the province of Ontario—and I think in all the provinces of the Dominion—the legislatures have for many years recognized the wage-earner as a preferred creditor, and as being entitled to a preference for the amount of his wages running back as far as three months. But, through the operation of section 88 of the Bank Act, the bank simply cleaned up everything, and at the liquidation there was no recourse left to the men for obtaining the wages they had justly earned, and which was due to them to the amount, I believe, of fifteen or sixteen hundred dollars.

I should add that after a good deal of pressure and a great deal of waste of time, after the men had become more or less scattered, the bank was induced to pay $500 on the amount due as a sort of compromise to proceedings which were threatened to test the validity of their warehouse receipts. Following that, within a couple of months, was another case, that of a planing mill on all fours with the furniture factory, but in this case it was the Bank of Montreal. A large amount

of wages was due to the men, the manufacturer made an assignment, and then, for the first time, the workmen found that all the manufacturer's goods, all his lumber, doors, windows, sashes, etc., were covered by the warehouse receipt, and not a dollar left to pay the workmen. Those men have to take what is left over. I must say that on that occasion, after a good deal of negotiation and waste of time, after the men had scattered more or less and been put to great inconvenience by not receiving their weekly pay, the Bank of Montreal did advance something by way of compromise and the workmen did receive a portion of their wages. But I do not think workmen like to be placed in the position of receiving favours from banks or anybody else, they want their own provincial law enforced, but they cannot have it enforced so long as section 88 of the Bank Act prevails against them.

I think I have only to point out this enormity to the Minister of Finance to have him find a remedy for it. To my mind it is nothing short of an outrage. We recognize in every province of Canada the preference which a workman should have, and I would suggest that a clause be inserted, making special provision that the laws of each province of Canada which give a preference to the wage-earner shall be continued, notwithstanding the provisions of section 88. That as against the wage-earner the bank's claim shall not prevail. That, I fancy, is not going any too far and I make this suggestion trusting that the Prime Minister and the Minister of Finance will seriously consider it. I have discussed it with some bankers and some of them have gone so far as to intimate that so far as they were concerned no great objection would be taken to it.

Mr. BORDEN: It was taken for granted and I suppose there is no doubt that the preference created by the federal statute over-rode the preference created by the provincial statute.

Mr. GUTHRIE: That is a point that has never yet been decided and in the case I have cited it was considered but there was no money to test such a case.

Mr. WHITE: I am very much impressed with what my hon. friend has said. I would ask him whether in his judgment it is clear law that the Dominion statute over-rides the other? The matter to which he has called attention is well worthy of consideration.

Mr. GUTHRIE: I am inclined to think it does. The Dominion Parliament has passed an Act in regard to matters upon which this Parliament has exclusive jurisdiction and I think our provision directly authorizing the bank to make advances on certain securities would over-ride any preference the workingman has under provincial legislation. The question is not free from doubt and it was upon threatened proceedings to test the validity of the Ontario Act or the Dominion provision that compromises were reached but no proceedings were actually taken in either case because workingmen who are not only out of a job but out of their pay cannot as a rule, carry on litigation which may have to go to the Privy Council before it is satisfactorily adjusted. But in the meantime no harm could possibly result if a provision were inserted to preserve absolutely the rights which are given by the various provinces to that class of people which we describe as workmen or wage-earners in the various factories. I understand that the section now applies only to manufacturers and certain classes of warehousemen, but does not apply to the ordinary wholesale dealer. I do not know if I am correct in that or not. I think the former Act did apply to any wholesale merchant because I have information of alleged hardships which have taken place under that provision in regard to wholesale dealers. At present my plea is only in regard to that body of men, comprising thousands and hundreds of thousands of our citizens who are daily earning wages and weekly or fortnightly being paid by their employers. Their claim should be protected absolutely, and it is the same men who are depositing earnings in the savings bank. The Government should so arrange the Post Office Savings banks that these men will receive as much for the loan of their money to the Government as the Government is paying to the people of foreign countries.

On motion of Mr. Emmerson the debate was adjourned.

On Motion of Mr. Borden, House adjourned at 12.50 a.m., Wednesday.

HOUSE OF COMMONS.

WEDNESDAY, January 29, 1913.

The SPEAKER took the Chair at Two o'clock.

QUESTIONS.

(Questions answered orally are indicated by an asterisk.)

BERTHIERVILLE WHARF.

Mr. BELAND:

1. Who has been appointed superintendent of the construction works of the wharf at Berthierville, county of Berthier?
2. By whom was he recommended and where is his residence?

3. By what Government was the sum appropriated for these works originally voted and in what year?

Mr. ROGERS:

1. Pierre Dumontier.
2. By Dr. Jos. Comtois and Ferdinand Lamy, St. Barthélemi, Quebec.
3. The original vote of $15,000 for this work was taken in 1910. In 1912 a sum of $19,500 was voted.

BONAVENTURE CENSUS ENUMERATORS.

Mr. MARCIL:

1. On what date did the Department of Justice receive certain bonds of indemnity given by census enumerators of Bonaventure in connection with the payments of fees for work performed during the last census?
2. When were the said bonds returned by the Department of Justice to the Department of Agriculture or to the Census and Statistic Office of the Department of Trade and Commerce?
3. What was the reason of the delay, if any?

Mr. DOHERTY: The bonds referred to were received from the Department of Agriculture on the 15th of May, and on the 17th of that month they were returned, some of them approved but most of them were defective, and were returned for correction. And the bonds as returned for correction were received again from the Department of Agriculture, some on the 17th June, of others on the 20th of that month, and others on the 6th of July and the last group on the 20th of July. They were examined without delay and returned to the Department of Agriculture, the last of them about the 20th of July, marked approved. The delay was due to the defective form and execution of such instruments, some of them having been returned two or three times before they could be approved.

MONTREAL BRIDGES.

Mr. LEMIEUX:

1. Has the Government received a copy of the following resolution adopted at a meeting held by the citizens of Montreal, on Monday, the 20th ultimo:—

That it is of the greatest interprovincial importance and necessity that bridges be constructed at the earliest possible date, one from Ste. Anne de Bellevue to Ile Perrot, and another from Ile Perrot to Vaudreuil, so as to connect the island of Montreal with the mainland and establish a highway connection between Montreal and Toronto and with that end in view, that this meeting undertake at once to solicit the support of the federal and provincial Governments, as well as the co-operation of the municipalities and counties.

2. What action does the Government intend to take concerning the proposed construction of bridges?

Mr. CODERRE:

1. Received by the Department of Public Works.

2. The matter has not yet been considered by the Government.

W. T. R. PRESTON.

Mr. BOULAY:

1. Is Mr. W. T. R. Preston, a former commercial agent of Canada in Holland, Denmark and Germany, still in the employment of the Government of Canada?
2. If so, in what capacity and what is his salary?

Mr. CODERRE: Mr. W. T. R. Preston is not in the employ of any department of the Government.

FUR FARMING.

Mr. EMMERSON:

1. Is it the intention of the Government to have prepared and issued in the near future by some one of the departments of the Government, a pamphlet or treatise relating to the propagation of fur-bearing animals in captivity in Canada?
2. Is the Government aware that a pamphlet or treatise bearing on the same subject has recently been issued by the Quebec Government through its Department of Colonization?

Mr. BORDEN: This question was answered the day before yesterday. I would like, however, to say for the information of my hon. friend, that since that time, I have been informed by the Secretary of the Commission of Conservation that that commission have had prepared a report on fur farming in Canada, which is now in process of publication. I was not aware of that when I gave the answer to the question on Monday. I desire also to say that the commission informs me that they are aware of the publication of a pamphlet on this subject by the Quebec Government through the Department of Colonization of that Government.

MARITIME PROVINCES INLAND REVENUE INSPECTOR.

Mr. MACDONALD:

1. Has any appointment been made to the vacancy occasioned by the resignation of T. Bourke, inspector of Inland Revenue in the Maritime provinces? If so, who is the appointee?
2. If not, has any appointment been determined upon, and has the person to be appointed now been in training for the position? If so, who is he?

Mr. NANTEL:

1. Yes, John McDonald.
2. Answered by No. 1. The department is not aware of any person being in training for the position.

ARISAIG POSTMASTER.

Mr. CHISHOLM (Antigonish):

Who is the postmaster at Arisaig, Antigonish county, N.S., and what is the date of his appointment?

Mr. PELLETIER: Reverend D. L. McDonald; appointed 23rd December, 1912.

ANTIGONISH COUNTY ESTIMATES.

Mr. CHISHOLM (Antigonish):

1. Referring to the documents or letter which appeared in the Casket newspaper, published at Antigonish, of date the 9th day of January, 1913, as follows:—

Office of the Minister of Public Works of Canada.
Ottawa, December 28, 1912.

Senator Girroir.

My dear Sir,—Your letter of the 24th instant addressed to the Minister of Public Works received, and in accordance with your request, I am enclosing you herewith a list of the items which have been placed in the Supplementary Estimates for Antigonish county for 1913-14.

Yours sincerely,
(Sgd.) GEORGE BUSKARD,
Minister's Secretary.

To E. L. Girroir,
Barrister,
Antigonish, N.S.

Main Estimates.

Arisaig—Complete extension to wharf..	$3,000
Bayfield—Repair to wharf breakwater..	2,500
Blue Rock—Repairs to breakwater.. ..	8,200
Breen's Pond—Construction of breakwater..	1,400
Harbour au Boucher—Repairs to wharf	1,000
Malignant Cove—Repairs to breakwater	800

Supplementary Estimates.

Cribbons Point—Wharf and dredging .	15,000
Delorey's Beach—Breakwater repairs and extensions..	14,700
Malignant Cove—Extension of piers and dredging..	4,000
McArra's Brook—Extension of boat landing..	1,700
McNair's Cove—Extension to wharf ..	5,500
Ogdens Pond—Sand grain and extension of pier..	2,800
South Lakevale—Extension of channel pier..	3,000
Auld's Cove—Protected channel..	15,000
Tracadie Harbour—Improvements.. ..	27,000
Harbour au Boucher—Warehouse.	1,200
Breen's Pond—Extension to breakwater..	14,500
Georgeville—New wharf..	90,000

There will also be placed in the general rate for dredging amounts for Lakevale and Bayfield, and an amount for repair for old wharf at Georgeville, will be placed in estimates when exact amount of damage is ascertained.

2. Did the Minister of Public Works or his secretary send, or authorize to be sent, to Senator Girroir, of Antigonish, N.S., the said letter and enclosure?

3. If not, did the minister or his secretary send, or authorize to be sent, any letter to Senator Girroir in the month of December last, respecting the estimates, or proposed expenditures for Antigonish?

4. If so, what was such letter and enclosure?

Mr. ROGERS: The Minister of Public Works had no knowledge whatever respecting the matter referred to. Senator Girroir, who from time to time had interested himself in making requests that certain work at different points should be carried on during the coming year, asked to be supplied with a memorandum of the applications which he had so named, in answer to which request the following is a correct copy of the memorandum sent:

List of amounts for Antigonish county, Nova Scotia, noted for estimates, 1913-14.

Main Estimates.

Arisaig—Complete extension to wharf	$3,000
Bayfield Harbour—Repairs to wharf and breakwater..	2,500
Blue Rock—Repairs to breakwater..	1,200
Breen's Pond—Construction of breakwater..	1,400
Harbour au Boucher—Repairs to wharf..	1,000
Malignant Cove—Repairs to breakwater..	800

Supplementary Estimates.

Cribbins Point—Wharf and dredging	15,000
Delorey's Beach—Breakwater repairs and extensions..	14,700
Malignant Cove—Extension of piers and dredging..	4,000
McArra's Brook—Extension of boat landing..	1,700
McNair's Cove—Extension to wharf..	5,500
Ogdens Pond—Sand grain and extension of pier..	2,800
South Lakevale—Extension of channel pier..	3,000
Auld's Cove—Protected channel.. ..	15,000
Tracadie Harbour—Improvements ..	27,000
Harbour au Boucher—Warehouse ..	1,200
Breen's Pond—Extension to breakwater..	14,500
Georgeville—New wharf..	90,000

Mr. CHISHOLM (Antigonish): I desire to call the attention of the Minister of Public Works to the fact that the second part of the question has not been fully answered. The question as to whether the minister or his secretary sent or authorized to be sent the letter referred to has been evaded.

Mr. ROGERS: The Minister of Public Works did not authorize or send any such letter. I understand that the words 'or his secretary' appear in the question, but I did not know they had any bearing upon the matter.

Mr. SPEAKER: I think the hon. gentleman is exceeding his rights in this matter. He has a right to ask for an answer to that part of the question which has not been fully replied to, but he cannot debate it or criticise the answer given.

Mr. CHISHOLM: I do not mean to say the hon. gentleman intentionally evaded the question, but the question is whether

the Minister of Public Works or his secretary did send, or authorize to be sent, the letter referred to, and this part of the question is not adequately answered.

Mr. ROGERS : I shall be glad to supply any information my hon. friend may ask for.

GEORGE ORANGE.

Mr. DOUGLAS :

1. Is the Government aware that Mr. George Orange, an organizer in the employ of the Conservative party, is said to be occupying rooms in the public building lately erected in the city of Wetaskiwin?
2. If so, under whose authority was he accorded this privilege?

Mr. ROGERS : No.

DISMISSALS.

Mr. LAPOINTE (Kamouraska):

How many postmasters have been dismissed in the county of Rimouski since the 21st September, 1911, and what are their names?

Order for return agreed to.

Mr. GUILBAULT :

1. Who are the postmasters in the county of Joliette who have been dismissed from 1896 to September, 1911, what are their names, their respective parishes, the dates of their dismissals, and the reasons alleged?
2. Was there an inquiry in each case?
3. On whose recommendation in each case were these dismissals made?
4. Who were their successors in each case, and on whose recommendations have they been appointed?

Order for return agreed to.

*Mr. DESLISLE:

1. Has Mr. Emile Houde, of Grondines, county of Portneuf, been dismissed as lightkeeper. If so, for what reasons?
2. Who made complaints against him?
3. Has an inquiry been held?
4. Who has replaced him, what is his name, his age and at what salary?

Mr. HAZEN :

1. Yes. Political partisanship.
2. Mr. Honoré Grenier and Mr. J. E. Blais, through Hon. L. P. Pelletier, who concurred.
3. No.
4. Mr. Fortunat Hamelin; 39 years; $140 per annum, rising by annual increments of $10 to a maximum of $180.

Mr. DESLISLE :

1. Has Mr. Eugène Mayrand, of Grondines, county of Portneuf, been dismissed as lightkeeper? If so, for what reasons?
2. Who made complaints against him?
3. Has an inquiry been held?
4. Who has replaced him, what is his name, his age and at what salary?

Mr. HAZEN :

1. Yes. Political partisanship.
2. Mr. Honoré Grenier and Mr. J. E. Blais, through Hon. L. P. Pelletier, who concurred.
3. No.
4. Mr. J. E. Blais; 40 years; $220 per annum, rising by annual increments of $10 to a maximum of $260. Mr. Blais resigned 18th October, 1912, and was succeeded by Mr. Adolphe Rivard; 35 years; $220 per annum, rising by annual increments of $10 to a maximum of $260.

*Mr. DESLISLE:

1. Has Mr. Joseph Sauvageau, of Grondines, county of Portneuf, been dismissed as lightkeeper? If so, for what reasons?
2. Who made complaints against him?
3. Has an inquiry been held?
4. Who has replaced him, what is his name, his age and at what salary?

Mr. HAZEN :

1. Yes. Political partisanship.
2. Mr. Honoré Grenier and Mr. J. E. Blais, through Hon. L. P. Pelletier, who concurred.
3. No.
4. Mr. Ovila Rivard; 38 years; $140 per annum, rising by annual increments of $10 to a maximum of $180.

PILOTAGE COMMISSION.

Mr. SEVIGNY : Would the Minister of Marine kindly inform the House if the Pilotage Commission has been appointed ?

Mr. HAZEN : It has been agreed that the personnel of the commission shall consist of Captain Lindsay, wreck commissioner of the Marine and Fisheries Department, Mr. Lachance, of Quebec, president of the Corporation of Pilots, and Mr. Thomas Robb, of Montreal, treasurer of the Shipping Federation of Canada.

THE MAYFLOWER DISASTER.

Mr. GRAHAM : I understand there was a gentleman appointed to investigate the appalling disaster in connection with the Mayflower on the Madawaska river some time ago, and I would ask the Minister of Marine and Fisheries if that gentleman has made his report ?

Mr. HAZEN : Mr. Pringle, K.C., of Ottawa, was appointed to investigate the matter. I have not yet received his report. I will at once make inquiry regarding it, and as soon as it is received, it will be laid on the table of the House.

UNIFORM BRITISH NATURALIZATION.

Mr. E. M. MACDONALD (Pictou) moved:

For a copy of all despatches, letters, telegrams and other documents, including any

reports of interviews had by ministers with the Imperial authorities with reference to a uniform plan of naturalization of aliens as British subjects in the United Kingdom and throughout the Empire.

He said: I desire to make this motion for the purpose of obtaining all information in the possession of the Government since the last session of Parliament in regard to this important question, and with a view of ascertaining what progress has been made in the meantime in the direction of obtaining the passage of legislation whereby the anomaly which exists with regard to the naturalization of aliens, not only in Canada but throughout the Empire, may be removed. Last session I made a similar motion and I then found that no progress had been made towards dealing with the subject since the meeting of the Imperial Conference in 1911. I understand that while the members of the Government were in England during the past summer this question received some consideration in conference with the Imperial authorities. I may remind the House of some of the questions which are involved. The question of naturalization is one which occasionally, but only very occasionally since Confederation, has received the attention of this Parliament. It is only within the last few years that this anomalous condition of affairs has engaged the attention of either the Parliament of this country, the Parliament of Great Britain, or the Parliaments of the colonies. When we consider the peculiar condition of affairs, we see that some remedy is desirable, and becomes immediately necessary. Two questions are involved in this problem of naturalization. The first is what is the status of British subjects, who go abroad and take upon themselves allegiance to foreign countries? The second is: What is the status of aliens who come into Canada or any other part of the British Empire and become naturalized? With regard to the first question, the original theory and principle of the common law was that a person who was once a British subject, was always a British subject, and that a person born in His Majesty's dominions, whether in the United Kingdom or elsewhere, was from the moment of his birth a British subject, no matter what his parents' nationality might have been. The question of the status of British subjects who go into foreign countries is one which for the moment we need not discuss. That is a matter largely of international arrangement with the country into which they may go and where they assume their new allegiance. What we are concerned about is, what is the status of the alien who comes into Canada or goes into another part of the Empire, takes the oath of allegiance, and receives a certificate of naturalization from the authorities of the particular country to which he may happen to go? We have this anomaly, that, although during the past ten or twelve years a tremendous number of people have come from every part of the globe, have settled in our country, and have become Canadian citizens, and although we give them a certificate of naturalization after they have complied with the conditions set out in our Naturailzation Act, that certificate does not entitle and never has entitled them to be considered as British subjects in the worldwide sense. All that we have been able to do, and all that we are doing now, is to give to a man who comes to Canada a certificate of naturalization that he is a British subject while he is within Canada. Unless there is an international arrangement, by which that certificate of naturalization is recognized in the country from which he comes, he never throws off allegiance to the land which he left and never becomes a British subject in the widest sense. A very large number of American citizens have come to Canada, have become naturalized here after a residence of three years, and have received a certificate in the regular way from our Canadian courts; but they are not, in the opinion of those who have considered the matter with a great deal of care, British subjects in the wider understanding of the term. They have not become naturalized as British subjects so as to entitle them to be recognized as such all over the world or in the country from which they came. They are still American citizens; they can return to their own country, and their own country can have the same control over them that it always had; they are entitled to whatever privileges and rights accrue to them by virtue of their American position and status, nothwithstanding the fact that in the meantime such a certificate has been given them in Canada. The reason is that that certificate has been limited in its nature. We are not able to certify that the person who has taken the oath of allegiance and complied with our law has become a British subject and is entitled to everything that that status involves. This peculiar condition of affairs attaches to every part of the Empire. The man who goes to England and becomes naturalized there, is only a British subject so far as the United Kingdom is concerned; he is not a British subject when he comes to Canada. The laws of the United Kingdom do not purport, and never have purported, to give him any greater status other than that. I would call the attention of the House to that fact, as it is set out in the statute which was passed in 1870. Previous to that, the question of naturalization had never received the consideration of the Parlia-

ment of the day to any great extent. The legislation of 1870 followed a report of a committee specially appointed for the purpose of considering the whole question. That committee proceeded to obliterate the old common law theory that once a man was a British subject, he was always a British subject, and to provide the lines within which a person who wanted to be naturalized could be naturalized in the United Kingdom. To show that a limited naturalization is the only one which can be obtained under the law, I will read the third sub-section of paragraph seven of the English Naturalization Act of 1870, which says:

An alien to whom a certificate of naturalization is granted shall in the United Kingdom be entitled to all political and other rights, powers, and privileges, and be subject to all obligations to which a natural-born British subject is entitled or subject in the United Kingdom, with this qualification, that he shall not, when within the limits of a foreign state of which he was a subject previously to obtaining his certificate of naturalization, be deemed to be a British subject unless he has ceased to be a subject of that state in pursuance of the laws thereof, or in pursuance of a treaty to that effect.

Previous to this Act of 1870, the Imperial Parliament had divested themselves of their sovereignty in regard to this question of naturalization by giving to the Canadian Parliament, under section 91 of the British North America Act, the power to deal exclusively with legislation in regard to the naturalization of aliens. As to how wide the effect of that power may be, the question has formed a subject of discussion in the legal journals and in other quarters, to which I will afterwards refer. All the rights that the legislation of the United Kingdom purports to confer upon the persons who may be naturalized in that country, are rights which are not extra territorial, but are confined to the limits of the United Kingdom. The exact status of a large number of people in Canada from an international standpoint is a matter of very great doubt. True, the domicile is the test of a man's personal status with reference to a very great number of his rights, and the question as to where a man's domicile is at the time of his death is the testing question to determine the disposition of his property and a great many other matters which arise in the ordinary course of business and in the ordinary affairs of life. In regard to the questions of marriage, and the rights which arise in consequence of marriage, divorce, and other questions of that character, in which the nationality of the parties is resorted to for the purpose of ascertaining what their status may be, the law to-day in Canada and throughout the Empire is in a most confused state and demands immediate attention, and should be receiving the attention of the authorities. Take the anomaly, which is a striking one, of my hon. friend who sits in the Government without portfolio, and whose name has been mentioned as a representative in the Mother Country on the Imperial Defence Committee, whatever that representation may amount to. I look at the Parliamentary Companion, and I find that that gentleman was born in Lebanon, New Hampshire. So far as I can learn of the hon. gentleman's career, while he is a British subject in Canada, he is, outside of Canada, an American subject—certainly an American subject in the United States.

Sir WILFRID LAURIER: And in England too.

Mr. MACDONALD: And in England too. That we have so conspicuous an illustration of a man in the public life of this country who has passed his life in Canada and is in all respects identified with Canadian interests; yet, because he was born in the United States, is not a citizen of the Empire in its widest terms, is an anomaly which ought to be removed, and it seems strange to me that it was not removed long ago.

What has been done to deal with this question? Apparently, matters remained without very much discussion of this subject until the period immediately preceding 1902, when an English departmental committee was appointed for the purpose of inquiring into questions of naturalization. This committee made a very full and comprehensive report which occasioned the bringing of the subject before the attention of the Imperial Conference of 1902. It was pointed out that the proper meaning of naturalization was the status which should be granted to a British subject which would entitle him to recognition everywhere, and was not merely the giving of the rights and privileges of a British subject in a particular territory. The statement which was made by these gentlemen, some of whom were jurists of repute, is a matter of interest when one comes to consider what the exact powers of the Federal Parliament of Canada may be under section 91 of the British North America Act. That report was considered in a very incomplete way by the conference of 1902. But the interest which was evoked in the subject at that time led to further discussion; and the result was that a Bill was prepared previous to the conference of 1907. This Bill was discussed fully by the representatives of the several portions of the Empire who assembled for that conference and it was decided that the matter should be referred for consideration to a subsidiary conference

of members of the larger conference. The anomalies which existed, the peculiar position in which the citizens of the different nations within the Empire stood as a result of the law, commanded a great deal of attention. The discussion disclosed a peculiar state of affairs as existing throughout the different nations of the Empire. For instance, a person must reside in the United Kingdom for a period of five years before he can be permitted to take the oath of allegiance there and receive the certificate which can be granted under their law. In Canada, the residence period was found to be three years, and I think it is the same in South Africa. In Australia the residence period is two years. And in New Zealand they have a provision of law under which no time is necessary in order to enable a person to become a subject. A man can arrive in New Zealand to-day, and in a week, if he does not belong to one of the races against which there is some restrictive legislation in that colony, if he can produce a certificate of good character and can show that he is possessed of certain educational qualifications, he is entitled to receive from the courts a certificate which entitles him to be regarded as a British subject in New Zealand, no matter where he came from or what his nationality was before he came there. So, we have within the Empire these differences of necessary qualifications running from five years residence in the Mother Country to practically no time at all in New Zealand.

The question is: How can all these conditions be reconciled, how can a solution of this problem be worked out? Following the discussions of the conference of 1907, there was another departmental committee which met in England and which dealt with this question again. That committee drafted a Bill which was submitted to the different colonies previous to the assembling of the conference of 1911. There is a clause in this Bill which proposes a solution in terms of the problem. Section seven of this draft Bill reads as follows:

An alien who, within such limited time before making the application hereinafter mentioned as has been under any Act hereby repealed or may be allowed by the Secretary of State, either by general order or on any special occasion, has resided in His Majesty's dominions for not less than five years, or has been in the service of the Crown for not less than five years, and who intends, when naturalized, either to reside in His Majesty's dominions or to serve under the Crown, may apply to the Secrtary of State for a certificate of naturalization.

Provided, that if during the qualifying period of five years the alien has resided in more than one part of His Majesty's dominions, he must immediately before his application have resided for not less than twelve months in that part of His Majesty's dominions in which he applies for naturalization.

That Bill was the one which formed the subject of discussion in the conference of 1911, and the several representatives there had conflicting views as to whether that clause should be agreed to or not. The right hon. gentleman (Sir Wilfrid Laurier) who leads the Opposition in this House, in that conference took the view that the aim to be attained was that legislation should be had so that a British subject anywhere might be a British subject everywhere, and that the fair way would be to recognize the terms and conditions that were imposed by each one of the nations within the Empire, so that a certificate from any one of these nations should entitle an alien to recognition as a British citizen. The representatives of the United Kingdom, however, took the ground, in the strongest possible way, that nothing short of a residence of five years in any part of the Empire would be satisfactory to them as a condition precedent to the right of naturalization being granted. And it was found, after the presentation of views by the different gentlemen there, that the home authorities would not swerve in any way from that attitude. The result was a statement made by the Right Hon. Winston Churchill, who was at that time the Home Secretary, as to the attitude of the Mother Country. He read the memorandum that was prepared descriptive of the terms upon which the home authorities thought the matter should be dealt with. They regarded this condition as being essential to any legislation that might be passed to settle the question:

1. Imperial nationality should be world-wide and uniform, each dominion being left free to grant their local nationality on such terms as its legislature thinks fit.

The effect of that proposition, of course, would be to maintain a sort of dual nationality—Americans, for instance, who come to Canada would still be British subjects so far as Canada is concerned, but might not be British subjects in the wider sense. It seems to me that an anomaly exists there which ought to be removed. For my part, I can hardly realize the exact significance and status of a British subject in Canada. The desires of those who are anxious to have established a favourable condition in regard to this matter will never be met in the slightest degree if this varied condition of nationality is permitted to go on throughout the world.

2. The Mother Country finds it necessary to maintain five years as a qualifying period. This is a safeguard to the dominions as well as to us, but five years anywhere in the Empire should be as good as five years in the United Kingdom.

3. The grant of nationality is in every case discretionary, and this discretion should be exercised by those responsible in the area in

which the applicant has spent the last twelve months.

4. The Imperial Act should be so framed as to enable each self-governing colony dominion to adopt it.

5. Nothing now proposed would affect the validity and effectiveness of local law regulating immigration and the like, or differentiating between the classes of British subjects.

The last clause was put in on account of the attitude taken by the representatives of Australia and New Zealand, who have legislation of a restrictive character with special reference to Asiatics, and who take the ground, in the strongest possible way, that no legislation on this subject would be passed with their consent if it in any way interfered with that restrictive legislation. It was pointed out, however, by the Home Secretary that the provisions of the Bill, which would be prepared according to the suggestions made by him in this memorandum, would not in any way conflict with the right of these colonies who desire to maintain their restrictive legislation. It was understood that as a result of the discussion at the conference at that time, a Bill embodying these principles would be prepared and sent out to each of the colonies for consideration by their respective parliaments, and that was the stage which matters had reached when I addressed the House upon this matter last year. The question which arises at the present moment is: What has been done in the meantime by hon. gentlemen who sit on the treasury benches, and by the home authorities. I noticed in the press the other day a despatch stating that Mr. Buxton had introduced in the Imperial House of Commons a Bill dealing with this question, and I assume that is a Bill based upon the interchange of views of the representatives of Canada and the other parts of the Empire. Its provisions will be well worthy of the consideration of every member of this House, for it is desirable that a proper solution to the question as to the removal of these anomalies that have existed—apparently without attracting the active attention of the people of this country—should be arrived at.

Closely allied with the broader question I have just alluded to, is the consideration of a proposition of a purely legal character presented in an article in the Canadian Law Times of November, 1911. It was asserted—and the proposition was laid down with some considerable force—that Canada was supreme on this question, that we really had the right not only to legislate and declare that a man could be a British subject within the bounds of Canada, but that by virtue of our legislation we could declare he was a British subject anywhere. The ground upon which this view was taken was:

That as the right to legislate in regard to naturalization and aliens was a right that has been given to each one of the selfgoverning colonies long ago,——

The Imperial Parliament, therefore, possessing the power of sovereignty in that regard, specially delegated such power to the various dominions which alone had the right to deal with it, and it was further pointed out that all the legislation with regard to naturalization that had been passed in the different portions of this country previous to 1867, through the legislatures of Upper Canada and the other provinces, had been approved of and assented to by the Sovereign, and that in some of these Acts there was a declaration by certificate providing that a man should become a British subject in the widest possible sense, and not in a limited territorial sense. It was further urged that the only action necessary to effect that naturalization was the assent to the legislation by the Governor General, the direct representative of the Crown, who has the right to reserve for the consideration of the Imperial authorities any question of doubtful legality, or any matter tending to trespass on the powers of the Imperial Government. The fact that these assents had been made in the past was an indication that all we had to do was to make the necessary legislation, no Imperial statute being necessary. It was further suggested that as authority had been given in 1867 to legislate generally in regard to naturalization and aliens, the result was that there was given to the Canadian Parliament the power to create a status in regard to a British subject in an unreserved way; that the word 'naturalization' was interpreted by the various committees who have dealt with the matter in the Mother Country to mean a declaration of the right of a person to be a British subject in the widest sense of the term, and did not involve limitation of this right in a territorial sense. This being the case, in order to establish the fact that a party was a British subject in the widest sense, it was only necessary to strike out of the Canadian statute the words contained therein by which the territorial effect of the certificate is limited to Canada. This matter is dealt with on page 77 of the Revised Statutes of Canada, section 24:

The alien to whom a certificate of naturalization is granted shall, within Canada—

These—within Canada—are the words which could be struck from the Act, as they limit the status of the naturalized subject, under our Canadian law, to Canada only.

—shall within Canada be entitled to all political and other rights, powers and privileges, and be subject to all obligations to which

as natural-born British subject is entitled or subject within Canada—

The words 'within Canada' could be struck out also in this case.

—with this qualification, that he shall not, when within the limits of the foreign state of which he was a subject previously to obtaining his certificate of naturalization, be deemed to be a British subject unless he has ceased to be a subject of that state in pursuance of the laws thereof or in pursuance of a treaty or convention to that effect.

It was pointed out that in order that an alien could divest himself of all rights and privileges in the nation from which he came, the matter should be the subject of a general treaty or understanding on the basis of international law between the nation from which he came and the country in which he at the time resided. Consequently that limited clause is put in, because this whole question of naturalization depends, in regard to the divesting of the status of a person with reference to the country which he has left, on agreement, the comity of nations but there is the power which rests in the country to which such a person comes of declaring that having complied with their laws, he shall have all the rights and privileges which pertain to a person who is a subject of that country. The argument is put forth, and I am sure the Minister of Justice is familiar with it, that we have in the Dominion of Canada the power to deal with that whole question. It does not appear that at the Imperial Conference the representatives of the colonies urged that view. It was taken for granted that the Imperial authorities had to do something, and that, to a certain degree, that power rested with them. It was recognized that each of the different nations had in the past been dealing with the question, and had been dealing with it on the assumption that they were limited in their power by virtue of the general principle of law that no legislative body can deal with anything that is extra-territorial, or confer any rights or privileges upon any person that go beyond the limits of the country in which they affect to exercise their power. In a very clever paper, prepared by Mr. Mulvey of the State Department, which contains a very interesting resume of the question, it is urged on various grounds that the view asserted in the Canadian Law Times is not the correct view; and by quotations from decisions of the Privy Council and various other courts on kindred questions—because of course the point involved in this particular legislation has not been determined positively by any of the judicial bodies—it is urged that the doctrine that no legislation can have any effect beyond the boundaries of the country of the legislature, would limit the power of the Canadian Parliament, so that they could not declare that any one was entitled to the privileges or status of a British subject anywhere outside of the bounds of Canada. It is true that the English Act of 1847 and the subsequent English Act of 1870 expressly provided that the naturalization power which was exercised by the different self-governing governments was one which was limited in its extent to the country with which it proposed to deal. There is a section in the English Act of 1870 which deals with that. It may be remarked, however, that the Act of 1870 was passed after the British North America Act of 1867 had been enacted, and that the question would turn upon the point as to whether or not the power to deal with the naturalization of aliens as given in section 91 of the British North America Act was an absolute power. Of course, in order to limit the extent of the application of those words, it is urged that section 91 expressly states that the Dominion Parliament has to do with the peace, order and good government of Canada, and that those words are limited and binding so as to include the implication that when classified subjects are mentioned specifically later, they are to have no wider effect than what is necessary for the peace, order and good government of Canada. To that, again, it is urged that what would be for the peace, order and good government of Canada, so far as naturalization is concerned, would involve the right to declare that the parties who had become naturalized under our laws were British subjects in the widest sense, because we were one of the component parts of the Empire.

The effect of the statute of 1870 would be, if it were interpreted as limiting the power conferred by the British North America Act, to expressly state that our own naturalization laws were to have effect only within our own territories. It is evident, however, whether the view that has been urged in regard to our wide powers in this particular be well-founded or not, that an Imperial statute is necessary in order to remove the limitation clauses that have existed in past naturalization acts. There would, of course, be necessity for Canadian legislation in striking out the words, 'within Canada,' where they occur in section 24 of our own Act, where the status of the alien when naturalized is declared. The question, therefore, is: how can this difficulty be removed? It would seem to me to be most desirable that in any legislation passed upon this subject the anomaly of local naturalization should be removed. Personally I can see no advantage whatever in the idea that aliens are to have limited political rights in a colony while by birth they are subjects of another coun-

try. If the United States, for instance, do not recognize under any treaty arrangement which they have with the British Empire to-day the status of a person who had been an American citizen and had been naturalized only in a limited way in Canada, and if they still claim that naturalization does not divest him of his status as an American citizen, then what use is there of our going on in Canada giving certificates of naturalization? The local naturalization would then have no particular advantage or significance other than that any one coming to this country and residing for three years and willing for the time to take an oath of allegiance to His Majesty, would be entitled to the privilege of voting and to such political rights as would attach to other residents of Canada who were born here, and would, for the time being, not have any of those provisions of the law applied against him which do apply to aliens. If from this peculiar situation we could work out within the Empire some arrangement by which, as the right hon. gentleman who leads the Opposition said so well at the conference, ought to be the aim to be attained, a man who was a British subject anywhere would be a British subject everywhere, that ought to be the final solution of this question. Anything that falls short of that seems to me to be entirely inadequate.

We sometimes hear a great deal about this Empire and the status of the people within the Empire. When we find hon. gentlemen within the Empire who are not British subjects—and there are other hon. gentlemen besides the Minister of the Crown to whom I have referred whose parents were born in other countries, and who still, in the country from which their fathers came, are really subjects of that country—and, if we are going to talk about Empire building and cementing the ties that bind the Empire while we have this peculiar and anomalous legal status of hundreds of people in this country remaining as it is, we are leaving untouched and unremedied one of the most important and essential elements which should go towards the proper cementing and binding of the Empire.

Sir WILFRID LAURIER: Hear, hear.

Mr. MACDONALD: I venture to say that throughout the length and breadth of this country the percentage of men who really understand what the status of the law is on this subject is infinitesimally small. Numerous gentlemen whom you see discussing with the utmost freedom Empire problems are really not citizens of the Empire at all, and have no business to be considered so; and the sooner we get rid of this anomaly, in order that, no matter whence we come into this free Empire, we may all claim that we are citizens of the Empire, the better. This is the third time that I have mentioned this matter in the House. I was assured by the Prime Minister last year that it would receive his full consideration and I hope to hear that some substantial progress has been made in the interval. I would, however, suggest that in the settlement of this question we should move along such lines as will ensure its settlement upon the wide basis which alone will ever settle it.

Mr. MORPHY: I was much interested in the hon. gentleman's argument; but will he tell me whether he distinguishes between the United States form, whereby a new subject is compelled to forswear his allegiance against, say, the country of his birth, and our form of naturalization oath which does not go so far as to compel a subject to forswear his native land? I would like to hear what the hon. gentleman has to say on that particular point. It seems to me that our law would bring about the same result without the forswearing clause being in the oath.

Mr. MACDONALD: I think my hon. friend is right. When a man takes the oath of allegiance to the King of Great Britain and Ireland in the form which is prescribed by our Canadian law, he is, so far as the effect of the oath of allegiance is concerned, declaring his allegiance to the King of Great Britain to as full an extent as though by other words he declared that he was giving up allegiance to another country. But when we get down to first principles, the proper theory is that a man should owe allegiance to but one country The settlement of this question, however, does not turn upon what may be the particular oath of any particular country. In any discussions on the subject, that does not seem to have been the determining point. The matter depends upon what may be the treaty between the two countries, and I used the United States only as an illustration. I could have referred to any other country in the same way. The point is as to whether or not a foreign country recognizes a certificate of naturalization which is only local in its effect, and whether or not it is given the full weight and significance of the certificate of a British subject in the widest sense.

Mr. DOHERTY: I am sure we have all listened with a great deal of interest and profit to the observations which the hon. member has made in supporting his motion. I think we can all perfectly agree on the importance of removing the anomalies to which he has called attention, and of bringing about a situation whereby a person,

becoming a British subject under the laws of the United Kingdom, or of any of the self-governing dominions, Canada in particular, so far as we are concerned, shall become a British subject throughout the Empire, and entitled, in consequence, to such recognition from outside countries as is accorded, either by comity or by virtue of treaties, to British subjects in the fullest sense of the term. We have not lost sight of this very important matter, and I think I shall be able to satisfy the hon. member and the House generally that we have made very considerable progress towards attaining the desired result since the last time he had occasion to call the attention of the House to the matter.

In the settlement of this question we have to bear in mind, not only the result sought to be obtained, but also the means whereby it may be attained; and in that connection we have to carefully see to it that the constitutional rights of Canada, as regards our legislative competence in respect to the subject of naturalization, are safeguarded. I may say that such delay as may have occurred since last session in bringing about a final settlement as regards the method by which the desired object is to be attained is due to the desire to reach an effective means of bringing about the result without in any way affecting or diminishing the right of Canada under the British North America Act to deal with this question. Nobody, I think, would dispute, as a pure proposition of law that the Parliament of the United Kingdom could legislate upon the subject, and declare its legislation to be effective and applicable throughout all the countries of the Empire; because I suppose it would have to be conceded that the Parliament of the United Kingdom which enacted the British North America Act could, as a matter of law, repeal that Act. But it does not necessarily follow from that that the Parliament of the United Kingdom could constitutionally legislate upon that subject and on its own authority make its legislation applicable and effective within the Dominion of Canada. As the late Sir John Thompson said in dealing with a very similar situation which arose in connection with a discussion upon the copyright laws, it was undoubtedly true that the Parliament of the United Kingdom could, notwithstanding the power in that regard conceded to this Parliament by the British North America Act, legislate for this country on the subject; but, he added, that is true as a matter of law, eliminating limitations and considerations of national honour and good faith. The serious question that arises in connection with the power to deal with this sujbect is therefore a question, not of the existence of legal power on the part of the Parliament of the United Kingdom, but a question whether that power can—in view of the dispositions of the British North America Act, and more particularly that section which has given control of legislation regarding naturalization of aliens to this Parliament—constitutionally legislate upon the subject and make that legislation effective within the Dominion. That is the most important question in my judgment to which it was necessary to give attention in determining the manner in which the result sought to be brought about was to be attained. The hon. gentleman has discussed the question of the extent of the power conferred on Canada in regard to this subject, from the point of view of whether or not the legislation of Canada upon the subject can or cannot produce extra-territorial effect. That, no doubt, is a very interesting question, and I think it is well for us in dealing with this matter to endeavour to form a clear idea as to what is the proper conclusion upon that question. But it did not seem to me to be the paramount question. The object to be attained being the bringing about of such a condition of the law both in the United Kingdom and in the different self-governing possessions as will result in the conferring of naturalization either in the United Kingdom or in any of these self-governing possessions upon the individual, having the effect of making him a British subject, not merely either in the United Kingdom or in that one of the dominions in which he might be naturalized, but throughout the Empire; the question that necessarily has to be solved is: how are you going to get a law bearing upon this subject which shall be an effective law in the United Kingdom, and which shall be an effective law in each one of the self-governing dominions, and how are you going to get that without trenching upon the right of the United Kingdom on the one hand and the dominions on the other to determine—assuming that they have that right and for the moment we need not question whether they have or not—who shall and who shall not be entitled to recognition as a British subject by naturalization within their respective limits. It seems to me that the position as it stands to-day is, that constitutionally each one of the self-governing dominions, and Canada in particular, has the right to determine what alien, and under what conditions any alien, shall become entitled to recognition as a British subject in Canada. That much, I think, is quite capable of being demonstrated, and is not from a constitutional point of view disputable. On the other hand, I need hardly say that the Parliament of the United Kingdom has undoubtedly the exclusive right of determining who shall be recognized as a British subject within the United Kingdom, and that as well from the constitutional as from the legal

point of view. From the legal point of view I do not think it can be disputed that the Parliament of the United Kingdom could pass a law which would be effective throughout the Dominion, but I do not think the Parliament of the United Kingdom could constitutionally pass such a law without the asent of the legislative power within the different dominions. It is well to point out that whatever may be the rights or the powers of the Parliament of the United Kingdom with regard to this matter of naturalization, and whether that Parliament has or has not constitutionally the right to pass laws upon the subject effective within the different dominions, as a matter of fact the Parliament of the United Kingdom never has exercised such a power. That fact is, I think, of very considerable bearing in determining the two questions: first, whether that Parliament can to-day constitutionally exercise such power, and, second: in determining what was the extent of power that was conferred upon our Parliament by section 91 of the British North America Act when the power of legislating in regard to naturalization was conferred upon the Parliament of Canada. I have said that the Parliament of the United Kingdom never has exercised the power of legislating to create a naturalization effective outside of the United Kingdom.

Mr. MACDONALD: Hear, hear.

Mr. LEMIEUX: Could we not petition the Government or pass a resolution here?

Mr. DOHERTY: Yes, I think we might petition the Government to pass a resolution here; and I think such legislation passed with the consent properly expressed of the Parliament of this Dominion, would even without that consent be legal and with that consent would be constitutional. I do not think there is any impossibility of obtaining the result by reason of what I have been saying, nor even that there is any very great difficulty. It seems to me a little remarkable and I was surprised to find when I came to look into the matter, that general legislation for the purpose of naturalization is comparatively a new thing in the United Kingdom; that the first general law that was passed upon the subject was passed in 1844, and that prior to that people were naturalized either by getting a special Act to naturalize the individual, or they had resort to a denization which the King could confer and which did not give all the rights that are now attached to naturalization. That legislation from the outset, unquestionably in the intention of Parliament, did not purport to give to the person naturalized under it any status or any right, or subject him to any obligation as a British subject elsewhere than in the United Kingdom. I have not before me the text of that statute; but I make the statement without any hesitation, and I do so because it appears that under that statute doubts did arise as to whether or not that statute was effective in the British possessions outside of the United Kingdom, and the result was that by a statute enacted in 1847 to which the hon. member has already referred,—the verbiage is very great and I might perhaps shorten it—two things were expressly provided. In the first place, all previous legislation by legislatures of British possessions with regard to naturalization were declared valid and effective, subject only to the condition that the naturalization was to produce its results within the limits of the possessions in which the legislation was passed. Then the legislation went on to point out that doubts had arisen as to whether the legislation of 1844 was effective in these outside possessions, and goes on for the purpose of removing those doubts to declare that that legislation never was and was not effective in any of the possessions outside of the United Kingdom. Furthermore, that law enacted that all future naturalization Acts which might be passed—I am of course not pretending to give the words of the statute—by the legislatures of the different possessions should be valid and effective, provided they were limited in their effect to conferring rights upon persons within the limits of the possessions whose legislatures passed them. I think that that enactment, interpreting as it does the very first legislative Act of the Parliament of the United Kingdom upon the subject, enacted as it was before the enactment of the British North America Act, and containing as it does this clear-cut division. this clear-cut partition I might say, of the power of dealing with naturalization, has a most important bearing upon the question of interpretation of the word 'naturalization' used in the British North America Act. I think we may safely say that that Parliament had settled this question before the British North America Act was passed, in the sense not only that naturalization was the proper subject matter of legislation effective exclusively within the different possessions, but had furthermore laid down itself the rule that, in its judgment at that time at all events, the proper function of the Parliament of the United Kingdom in legislating in regard to naturalization, was to determine who should be entitled to be naturalized within the United Kingdom. So that we find ourselves in this position at the time of the passing of the British North America Act, namely that naturalization had in the eyes and by virtue of the enactment of the Parliament, that passed the British North America Act, a well understood meaning.

Naturalization by that Parliament was, as evidenced by its own legislation, the proper subject matter to be dealt with in each possession which had a legislature of its own by that legislature, and the laws enacted by that legislature upon the subject created rights only within their limits. And equally so in the judgment of that Parliament, when you come to deal with naturalization enactments of that Parliament itself, the proper effect to be attached to such legislation was that the naturalization should be effective within the United Kingdom. Therefore I think it may be said that from the outset, from the time that the Parliament of the United Kingdom began to deal at all with naturalization legislation, it dealt with that question on the assumption that naturalization was in itself a local thing. We have travelled very far from that idea to-day; and I think we have travelled in a right direction; but I do not think it can be disputed that the Parliament, which enacted the legislation I have referred to, looked at naturalization as a proper subject matter for local legislation, and that the Parliament of the United Kingdom when enacting that legislation, considered that it was dealing with a local matter. In that state of affairs, it does not seem to me that we can seek to give to the word 'naturalization,' as used in the British North America Act, any wider meaning than 'naturalization producing effect within the territory of Canada'; that is the sort of naturalization that the Parliament which conferred that power knew of when it conferred it. For my part therefore, I do not find it necessary, for the purpose of determining whether a naturalization law enacted by us could produce ex-territorial effect, to take upon myself to determine as between the author of the article in the Law Times cited by my hon. friend and Mr. Mulvey, what the effect of legislation by Canada would be, looking at the question from the point of view from which those two gentlemen discussed it.

Mr. LEMIEUX: In the Home Rule Bill passed in the Old Country, is the question of naturalization one for the local Parliament to deal with?

Mr. DOHERTY: I confess I cannot give the information. It does not seem necessary for me to settle the question as discussed between those two gentlemen in order to arrive at a conclusion as to what the meaning of the word 'naturalization' is in our statute. I think we have got to read it in the face of this legislative settlement as to what the extent of 'naturalization' was at the time the Parliament enacted the British North America Act. For me the conclusive reason why the legislation of our Parliament cannot be effective beyond the limits of the Dominion on that question, is that such a limitation was an incident to naturalization laws at the time of the passing of our Constitutional Act, and had been determined to be so by the British Parliament, in more than one enactment at the time that Act was passed. As evidence that that view was persisted in, we had the provision cited by the hon. gentleman from the Naturalization Act of 1870. In 1870 after the passing of the British North America Act, the Parliament of the United Kingdom still persisted in its belief that the proper subject matter of its legislation upon naturalization was naturalization effective within the United Kingdom. In this condition of affairs our Constitution was passed, and there was conferred upon us the power to deal with the subject of naturalization, that power being, at that time, recognized as well in the United Kingdom, as wherever it existed in a colony or possession outside of the United Kingdom, as being limited, as regards the extent of territory it would cover, to the territory of the United Kingdom or of such colony or possession, but as being at the same time a power to be exclusively exercised by the legislature upon which it was conferred. I take it, therefore, that, on the one hand, we have no greater power than would provide for a naturalization effective within the Dominion, but that, on the other hand, we exclusively have power to deal with that matter. If I am right in the last statement, then the Parliament of the United Kingdom—and I would point out that I am always speaking of the constitutional question—is without power to enact a law in virtue whereof, without legislation on the part of the Parliament of Canada, a person who was an alien yesterday shall become a naturalized British subject in Canada to-morrow. And if that view be correct, then it follows that you cannot attain the result we are aiming at except by co-operation in legislation; and, if we are going to have a naturalization that shall be effective throughout the Empire, we must have it in virtue of co-operation between the legislative bodies in the different self-governing countries that constitute the Empire. That does not mean that each must pass an act perfectly identical and pass it concurrently,—though I am perfectly free to say that, speaking my own personal view, that would be the most desirable way to bring about the result,—but it means that we cannot get the result unless we can agree that certain dispositions are to be law in the United Kingdom and throughout the different dominions. That may be attained by an Act passed by the Parliament of the United Kingdom and adopted or assented to by the Parliaments of the different dominions. But

if the Parliaments of the different dominions are prepared to adopt or assent to an Act of that kind, I entirely fail to see what difficulty would be involved in each Parliament enacting its own legislation, and providing for recognition of that of the others. I say this because at the different conferences, and I think particularly at the Conference of 1911, it seems to have been considered that there were insuperable difficulties in the way of attaining that result by concurrent legislation. It was said: You could not make any of the Parliaments pass an Act in the ipsissima verba of another Parliament. There is no doubt about that—you could not make them do it. But we are proposing to do something that everybody has agreed shall only be done if all these different countries assent to its being done. And, if they are ready to assent to its being done, I confess, as I said a moment ago, I have great difficulty in appreciating that there would be insuperable difficulties in getting them to do that thing which they are willing to assent to being done. However that may be, I was going on to point out that, in my opinion, if the view I have expressed is well founded, you can only attain the result sought by co-operation in legislation; and it is because we—I think I may say—entertain that view and feel that that view ought to be recognized and acted upon in the enactment of the necessary legislation that we have thought it proper to discuss the question with the Imperial Government in connection with the Act drafted by that Government and forwarded to the different dominions for their views since the last session of the House. That Act, I understand, has been accepted or assented to by the dominions other than Canada—assented to without their deeming it necessary to point out what we thought it proper to point out and make a suggestion with regard to an amendment which we thought it desirable to make—a suggestion which, I may say, was at once accepted in principle by the Home authorities, there remaining at the present moment but the settlement of the wording in which the suggested amendment shall be couched. The Act so prepared, which I take to be the Act that the hon. member for Pictou stated that the Right Hon. Mr. Buxton introduced in the British House of Commons the other day, purported to do two things. In the first place, it purported to make provision for naturalization in the United Kingdom, which naturalization, when granted, would, under the provisions of the Act itself, be effective throughout all the dominions. In the second place, it purported to confer upon the parliaments of the self-governing dominions, the power, provided they adopted certain sections of the Act, to create a naturalization which would be recognized in the United Kingdom and likewise in such of the other self-governing dominions as adopted the sections referred to. Thus, under the Act as prepared, naturalization under its provisions in the United Kingdom would make the person naturalized, unconditionally and without action on the part of the Parliament of Canada or the parliaments of the different self-governing dominions, a British subject, not only in the United Kingdom but throughout the dominions. But, on the other hand, while that Act empowered the parliaments of the dominions to provide for naturalization which would be effective in the United Kingdom and in the other dominions that adopted the conditions, this was conditional upon the adoption by the parliaments of the different dominions of the sections referred to in the Act. Now, that did not, as we looked at it, put these parliaments—each of them supreme upon the question of who should be a naturalized subject within its own territory—on a footing of equality. Moreover, it did not carry out one of the conditions which had been laid down in the conference of 1911 as being essential to the legislation to be prepared. The one I refer to is the condition to the effect that the Act should be so drawn as to be susceptible of being adopted by the parliaments of the dominions. That form was finally adopted as being the equivalent of the same condition expressed at an earlier stage of discussion by Mr. Winston Churchill—a form which, to my mind, more correctly expresses what seems to have been desired. As first stated, the clause read:

The Imperial Act would not apply to the self-governing dominions until adopted by them.

That was modified—but very clearly, with no intention of changing its effect—to read:

The Imperial Act should be so framed as to enable each self-governing dominion to adopt it.

The Act departed from that condition in so far as provisions were made for a system of naturalization in the United Kingdom to become effective throughout the Dominion; that was not subject to our adoption. The only thing subject to our adoption was the power to create a naturalization which would be effective in the United Kingdom and in the other possessions which adopt that section. I may say that did not seem to us to be carrying out the condition, or to be consistent with our views of our constitutional right. It is quite clear, from the discussion in the conference of 1911, that the result intended to be obtained was that set forth in the conditions which have just been referred to, and that there was absolutely no intention on the part of the

Imperial authorities of legislating in such manner as to make naturalization in the United Kingdom effective in the Dominions without action by the Parliaments. I may add that when I called the attention of the home authorities to the effect of this legislation, the first answer I got was that I was mistaken; that the Act did not produce such a result. It was found upon examination, however, that my statement as to the effect of the provisions contained in the Act was correct, and it was at once stated that there was no intention of producing that result, and that the Imperial Government would be prepared to so amend the Act as to make the effect in Canada of naturalization granted in England dependent upon the adoption by the Canadian Parliament of the sections of the English Act providing for that naturalization in England. With that amendment the objection disappears. The United Kingdom provides by legislation for a system of naturalization under their law, prescribing certain conditions essential to that naturalization and the manner in which it shall be granted; attaching to that naturalization the general effect, without expressed limitation, of giving a man all the rights and subjecting him to all the duties of a natural-born British subject. The restriction contained in the Act of 1870, as it had been set forth in the Act of 1847, is omitted; that is, that the person naturalized should have all these rights and should be looked upon 'within the United Kingdom' as a British subject. The Parliament of the United Kingdom, then, legislates in absolutely general terms when dealing with the effect of this legislation. But, while the exact terms of the amendment to be made have not been settled, it is to be, in effect, that this provision attaching effects to naturalization granted in England shall not be operative in any of the self-governing dominions unless the Act providing for such naturalization be adopted by the respective parliaments of such dominions. In the same way, any naturalization law passed by the Canadian Parliament shall be effective in the United Kingdom, provided we adopt the sections under which the power of creating such an effect is conferred upon us. A man naturalized in the United Kingdom under the law of the United Kingdom will, therefore, be a British subject in this country by virtue of our law, and in the same way a man naturalized in Canada will be recognized in the United Kingdom by virtue of their law, because they are making a provision that if we adopt these sections they will recognize our naturalization.

Sir WILFRID LAURIER : What is the difficulty now ?

Mr. DOHERTY.

Mr. DOHERTY : There really is no difficulty now. I infer from the fact that the Bill has been introduced that the form of the amendment which came from us has been accepted, though, of course, I am not in a position to speak definitely as to that.

Sir WILFRID LAURIER : Do I understand that the British Government are prepared to recognize the naturalization given by Canada, after a probation of three years, and to recognize naturalization given by New Zealand, where there is no probation at all ?

Mr. DOHERTY: Naturalization effected by the Canadian law is dependent upon our adopting certain sections of the Act. The first matter that presented room for discussion was the question of how, assuming that we agreed upon the conditions, we could bring about the result. That I think I am safe in saying, although the final form of the wording has not been finally agreed upon, has been settled by the acquiescence in our proposition that the recognition of any man as a naturalized British subject in Canada, should come from the Parliament of Canada. I do not mean to say that it became necessary that we should determine that we were absolutely right and that no other view could be entertained, nor do I wish to say that the Imperial Government recognized that as essential, but, as was said at the conference, whether they had a right to legislate to give effect to naturalization within Canada or not, they did not propose to do it, so that question is cleared up.

The legislation proceeds upon the lines of the conditions laid down at the conference and read by the hon. gentleman that there should be five years residence but that residence need not necessarily be in the United Kingdom nor need it, if we adopt that law, be in Canada. There must be five years residence within the British Dominions and the last twelve months must be within either the United Kingdom or that Dominion, assuming we adopt the law, within which the naturalization is sought.

Mr. MACDONALD: Is the dual condition to be maintained, is there to be an Empire nationality and a local one?

Mr. DOHERTY: That depends entirely on what we want to do. This Act deals exclusively with Imperial naturalization. It does not purport to deal with anything but Imperial naturalization. It lays down the conditions by which that may be obtained in England and provides that if we adopt those conditions then our naturalization shall be an Imperial naturalization in the sense that it will be recognized in Eng-

land and also in such of the other Dominions as adopt this legislation.

Mr. GERMAN: Will it be possible to have in Canada two naturalization Acts, one local and one Imperial?

Mr. DOHERTY: If this Parliament, in its wisdom, thinks it is desirable to do it it may do it, it may continue to provide for a purely local naturalization but it would not be done in virtue of this Act. This Parliament has been doing that ever since Confederation.

Mr. LEMIEUX: Is it the policy of the Government to accept the five year probation as suggested by the Imperial Act?

Mr. DOHERTY: We have communicated to the Imperial authorities that, subject to the settlement of the amendment suggested, we would be prepared to adopt the Act as submitted to us dealing with Imperial naturalization.

Mr. MACDONALD: Will the minister be in a position to introduce the Bill from Canada's standpoint this session?

Mr. DOHERTY: Just as soon as this amendment is settled and we have a Bill as actually introduced in the Old Country.

Mr. GERMAN: Is it the intention of the Government to do away with the three years naturalization and create a five years residence?

Mr. DOHERTY: For the purpose of Imperial naturalization, we would have to require the five years residence.

Mr. GERMAN: But retain the three years residence for local naturalization?

Mr. DOHERTY: That is not necessarily connected with this legislation at all, it will be a matter to consider whether it is desirable to go on having two different statuses, because that is what they would be, called naturalization. I confess that I am inclined to the view expressed by the hon. member for Pictou that it is not desirable to have two different kinds of naturalization, but there is nothing to prevent us granting a man who has been three years resident in Canada all the rights that naturalization now gives him in Canada, even though we should not call it naturalization. This Bill leaves the question of local naturalization absolutely where it is to-day, the different dominions are free to exercise their own judgment.

Mr. SINCLAIR: Will the five years time have to be spent in any British possession, or does that refer to the self-governing dominions?

Mr. DOHERTY: My understanding is that it applies to the British possessions; but I will give the exact words:

The Secretary of State may grant a certificate of naturalization to an alien who makes an application for the purpose and satisfies the Secretary of State——

That is the way it is to be done in England, but in this country the Government would give it. Here are the conditions:

(a) That he has either resided in His Majesty's dominions——

That is in the widest possible terms.

—for a period of not less than five years in the manner required by this Act or been in the service of the Crown for five years within the last eight years before the application, and

(b) That he is of good character and has an adequate knowledge of the English language.

In that connection I might point out that by section 7 it is provided that where this law would be adopted in any of the dominions in which any other language stands upon a footing of equality with the English language the condition may be modified by substituting 'that language' for 'the English language.'

Then the next paragraph provides that the residence required is residence in the United Kingdom for not less than one year immediately preceding the application, and previous residence either in the United Kingdom or in some other part of His Majesty's Dominions for a period of four years within the last eight years before the application.

Then the section goes on to deal with other conditions about taking the oaths and so forth, but I think those are the material conditions, and the acceptance of them as conditions of Imperial naturalization is merely what was accepted in principle at the conference in 1911 when the representatives of the United Kingdom represented that five years' residence, not necessarily within the country of naturalization, but at all events within the British Dominions, was an essential condition from their point of view, of the recognition on their part of the naturalization.

Mr. GERMAN: May I ask the hon. gentleman if he does not think that that leaves room for false statements and perjury? A man would only have to live one year in Canada and swear he had lived four years in New Zealand or in India or in any of the other British dominions throughout the world, to become a British subject, a naturalized citizen of the British Empire.

Mr. DOHERTY: Of course that objection would be as strong in the United Kingdom as in Canada. But in the second place I want to point out that in subsequent sections there are powers to make regulations as to the nature of the proof that a man will be called upon to make, and if the sections are adopted, as we sug-

gest, to make the necessary regulations to protect ourselves we shall insist that that proof shall be given. I do not know that five years' residence would be very much harder to prove than three.

Mr. GERMAN: The three years must be in Canada.

Mr. DOHERTY: Under our present naturalization law it must be three years in Canada but if we are going to have an Imperial naturalization, we must have an Imperial naturalization.

Mr. GERMAN: And take a chance.

Mr. DOHERTY: We must take it with its advantages and what may be its possible disadvantages. The difficulty as to proof does not seem to me a very material one. I think it should be quite possible to so provide that people would not be naturalized without satisfactory evidence or without meeting the necessary conditions.

Mr. Speaker, I think that what I have said gives the hon. member the information which he asked for so far as it is in my possession. I do not think it would be proper upon this motion that I should enter into a discussion of the different provisions of the Bill which has been submitted. That Bill just as it is, will never be law so far as Canada is concerned; none of its provisions will be law until a Bill is submitted to this Parliament and passed upon by this Parliament, and this is not the time to discuss the provisions of the Bill.

Mr. MACDONALD: I assume that when this little question which is still open between my hon. friend and the home authorities is disposed of, we may look for him introducing legislation on the subject this session?

Mr. DOHERTY: In that regard something would depend upon the vicissitudes through which that Act might go in the Imperial Parliament. I fancy that the wiser course would be for us to wait until the legislation had been enacted, or at all events until we were in a position to know that we were not legislating to meet a condition that possibly might not exist. That is a question upon which we will have to be guided by future events. I would not at this moment say that a Bill will be brought down this session. Now, as I have said, I think I have given to the hon gentleman and to the House, as fully as I am possessed of it, all the information as to what has taken place in connection with this matter since he last drew the attention of the House to it.

Mr. McKENZIE: I notice in our naturalization act, and I think the same language is used in the Imperial Act, that it is stated that the person who becomes naturalized by virtue of Canadian legislation say, is not to be regarded as a British subject when he is within the bounds of the country of his nativity.

Mr. BORDEN: Except in so far as he has ceased to be under the laws of that country.

Mr. McKENZIE: Would that condition be changed if we had Imperial co-operative legislation?

Mr. DOHERTY: Whether we change that condition or not, would not, as I understand it, make any material difference with regard to the way the country of his nativity or of original citizenship would treat him. What he would be considered to be by that country when he was in it, would depend upon what the law of that country was upon the subject of the recognition of naturalization outside.

Mr. GERMAN: He could not be a citizen of two countries at the same time.

Mr. DOHERTY: A man might find himself in this position that two countries claim him at the same time. Until 1870 Great Britain proceeded on the assumption that no man could cast aside his nationality, that he might go and get naturalization as he liked anywhere in the world, and yet Great Britain said you are still a British subject. It was not until 1870 and by the first of the conventions with the United States on the subject that Great Britain recognized the possibility of a man throwing off his citizenship and his allegiance. I understand there are still countries—I do not want to specify them, although I do not think I am mistaken; I have present in my mind one at least—I am certainly under the very strong impression that there are countries to-day that adhere to that doctrine, and so long as any country adheres to that doctrine there is no legislative provision in the world that the Parliament of the United Kingdom or the Parliament of Canada or any other parliament could make that would make that man be recognized in that country as a British subject. We might or might not determine, or the United Kingdom might determine, whether we would take the position that he was by virtue of his naturalization a British subject and therefore whether we would take upon ourselves to dispute the matter with that other country that had a claim to his allegiance, but at present I have not considered the question whether—

Mr. McKENZIE: What I meant was this. We state in our legislation to-day that we do not regard the person as a Brit-

ish subject at all when he is within his native country. We do not regard him as having ever been a British subject. What I want to bring to the notice of the hon. minister is, would we recognize a party that would be naturalized under our law as entitled to the rights and privileges of a British subject even if he was within the bounds of the country of his nativity. If he was in distress would we regard him as one of ourselves?

Mr. DOHERTY: That limitation in our Act was copied from the limitation in the Act of the United Kingdom and I have no doubt that the purpose of that was to make clear that the United Kingdom was not undertaking that if a citizen of any country became naturalized in the United Kingdom, and that under the law of the country he came from his naturalization was not recognized, she would undertake to assert for him as against his original country, while he was in his original country, his British citizenship. Some such provision had to be made, because there are cases where it is impossible to bring about the result that a man is not a citizen of two countries, of course taking it from the point of view of each country. And so long as there is a country which refuses to recognize the possibility of a man throwing off his allegiance, the position will remain where it will not be possible for any other country to legislate him out of that allegiance if he chooses to go back to the country which claims that allegiance. As to whether Great Britain, or the Empire, or Canada, should undertake or not to fight it out with the country of a man's original allegiance is a matter I would not like to pronounce an opinion on offhand; very much would depend upon the circumstances and conditions. When the question arose as between Great Britain and the United States—Great Britain standing on the doctrine that a man who was once a subject was always a subject, and therefore that if a man naturalized as a United States citizen who might go back to the United Kingdom should be guilty of any acts of rebellion he was guilty of high treason as a subject, and the United States taking the ground that it was the inalienable right of a man, of his own volition, to throw off his allegiance when he left his native country and went to another, and insisting that the people they had naturalized should be recognized in the United Kingdom as being American citizens then, the only method by which that difficulty could be solved was by a treaty between the two countries. No law that the United States could make could have altered that situation and equally on the other hand no law that Great Britain could make could alter it. The question of what the state of our naturalized man would be when he goes to some other country that under its law claims his allegiance will always depend on what the law of that country is or what arrangement may be made between the Empire and the country which that man has entered. That very question is dealt with in an explanatory memorandum by Mr. Chalmers in the Report of the Inter-Departmental Committee of 1908. It says:—

> English law cannot of course operate beyond His Majesty's dominions, and, however wide the words of a statute may be, it is always to be considered, if possible, as not contemplating any infringement of international law, or affecting the status of foreigners outside the British dominions. Each country must legislate for its own subjects. It follows, therefore, that a person who, according to English law is a British subject, may, according to the law of some foreign states, be also a subject of that state, and this, theoretically, gives rise to many legal complications. For example, the son of French parents born in England is, according to English law, an English subject, while according to the law of France, he is a French subject. English law in the main regards the place of birth, while the laws of most foreign countries look rather to the nationality of the father. English law is founded on the feudal principle of allegiance, while foreign law for the most part is founded on the Roman principle of citizenship determined by descent. But, as Mr. Hall points out, not much practical difficulty arises except through the performance of certain kinds of voluntary acts by the individual in doing which he would follow the law of the country which he preferred; his nationality would only come into play if he stood in need of protection, or if a demand were made for his extradition. It is, however, obviously convenient that future legislation should, where possible, avoid the creation of double nationality.

So far as legislation by one country goes, the most we can do is to endeavour to avoid the creation of double nationality, the rest must be left to convention between the different countries. I think I have put the hon. gentleman who made the motion, and the House, in possession of substantially all the information which I am possessed of bearing on this question. I think I may claim that very considerable progress has been made in the matter and I think I may further claim that the events which led to the delay, namely, our contention that it should be made perfectly clear that we were not prepared to consent to anything that would diminish in the slightest degree the full right of control conferred upon Canada by the British North America Act over this matter of naturalization, fully justified us taking due time for that discussion, I think it is a matter of congratulation that the home authorities should have seen their way to agree to the legislation being so enacted as to perfectly protect our

position in that regard. I do not want to be understood as saying that there was any question of the home authorities admitting that they could not legislate; it did not become necessary to discuss that, because as one of the speakers said at the conference: whether the Imperial Parliament could or could not legislate upon the subject and make that legislation effective in Canada they did not purpose doing so. We have got to a position where we can get the desired result and get it in such a method that no question arises at all of encroachment upon Canada's fullest power of control of the subject of naturalization giving to the terms of the British North America Act the widest possible sense of which they are susceptible.

Motion agreed to.

UNOPPOSED AND UNDISCUSSED MOTIONS.

For a copy of all diaries and other documents relating to and showing the work performed during the months of June and July, 1912, by homestead inspectors Rathwell and Erratt in the Moosejaw land district.—Mr. Knowles.

For a return showing the expenses of homestead inspectors Shields, McLaren, Erratt and Rathwell during the months of June and July of 1912.—Mr. Knowles.

For a copy of all diaries and other documents relating to and showing the work performed during the months of June and July, 1912, by homestead inspectors Shields and McLaren in the Swift Current land district. —Mr. Knowles.

For a copy of all papers, letters, telegrams and other documents respecting the dismissal of Robert Pragnall from the position of agent of the Dominion Land office at Swift Current and the appointment of his successor. —Mr. Knowles.

For a copy of all charges, correspondence, letters, telegrams and other documents relating to the dismissal of Wm. J. Paquet, postmaster at Souris, P.E.I.—Mr. Hughes (Kings)

For a copy of all charges, correspondence, letters, telegrams and other documents relating to the dismissal of George Gunn, postmaster at French Village, Prince Edward Island.—Mr. Hughes (Kings).

For a copy of all charges, correspondence, letters, telegrams and other documents relating to the dismissal of James Feehan, fishery guardian or warden at Tracadie Harbour and Savage Harbour, Prince Edward Island.—Mr. Hughes (Kings).

For a copy of all letters, telegrams, reports and other documents relating to the dismissal of Edward C. Humphreys, of Trenton, N.S., as an officer of the Inland Revenue Department and the appointment of his successor. —Mr. Macdonald.

For a copy of all letters, telegrams, reports and other documents relating to the dismissal of C. P. Blanchard, postmaster at Truro, Nova Scotia, and the appointment of his successor.—Mr. Buchanan.

For a copy of all papers, letters, telegrams and other correspondence relating to the dismissal of Thomas J. Sears, postmaster at Lochaber, N.S., and the appointment of his successor; of the evidence taken, and of the report thereon made by Commissioner Duchemin on the charge, if any, made against the dismissed postmaster.—Mr. Chisholm (Antigonish).

For a copy of all correspondence, letters, telegrams, papers and other documents in connection with the dismissal of the postmaster at Alsalk, Saskatchewan.—Mr. Knowles.

For a copy of all correspondence, letters, telegrams, papers and other documents in connection with the dismissal of John Spicer senior assistant of the Moosejaw land agency. —Mr. Knowles.

For a return showing the expenses of homestead inspector Miller of the Moosejaw land district during the months of June and July, 1912, together with a copy of all reports, proceedings, diaries and other documents showing the work performed during the said time by the said homestead inspector. —Mr. Knowles.

For a copy of all letters, petitions, telegrams, complaints, evidence, reports and other papers and documents in the possession of the Department of Railways and Canals, or of the Intercolonial railway, or of the Government Railways Managing Board, relating or in any manner appertaining to the appointment and employment of train or ticket agents on the Intercolonial railway and Prince Edward Island railway, together with a copy of all statements showing the amounts received by said agents, in cash and tickets, on the trains of the respective divisions of said railways; and also showing the amounts received during corresponding periods for the past two years, in cash and tickets, on the same trains on the said respective divisions by the conductors of said trains, when no train or ticket agents were employed thereon, either before or since the employment of such agents on the respective trains; and also a copy of all statements showing the results of the experiments in employing such ticket agents.—Mr. Emmerson.

For a copy of all papers, documents, evidence, reports, letters, correspondence, &c., relating to the dismissal of G. M. Ullgot, a clerk in the Dominion Lands office at Saskatoon.—Mr. McCraney.

For a copy of all papers, documents, evidence, reports, letters, correspondence, &c., relating to the dismissal of H. B. Manley, a clerk in the Dominion Lands office at Saskatoon.—Mr. McCraney.

For a copy of all letters, telegrams and correspondence on file referring to the dismissal of Donald Chisholm, of Tracadie, in the county of Antigonish, as preventive officer.—Mr. Chisholm (Antigonish.)

For a copy of all letters, telegrams, correspondence, reports and documents touching the dismissal of Alexander R. McAdam as fishery officer for the county of Antigonish, N.S., and the appointment of his successor.— Mr. Chisholm (Antigonish.)

For a copy of all reports, letters, messages, correspondence, recommendations and documents respecting the appointment of F. H. Roy as postmaster of St. Philippe de Nery, and the subsequent re-establishment of a

new post office at the same place under the name of St. Philippe Est.—Mr. Lapointe (Kamouraska).

For a return showing the number of accidents to lock gates or bridges on the Welland canal during the year ending November 25, 1912, the nature of the accidents, the amount of damage in each case and the amount recovered by the Government from vessel owners in each instance.—Mr. Graham.

For a copy of the inquiry made by T. B. Atkinson, as to an accident that happened to the horse of Arsene Lauzier, at Amqui, county of Rimouski, on 19th February, 1912.—Mr. Boulay.

For a return showing all the public officers removed by the present Government in the district of L'Assomption, together with the names and duties of such persons, the reasons for their dismissal, the nature of the complaints brought against them; also a copy of all correspondence relating thereto and reports of inquiries in cases where such were held, with the names of the successors of the dismissed officers.—Mr. Seguin.

For a copy of all charges, correspondence, letters, telegrams and other documents relating to the dismissal of Robert C. Morrison, postmaster at St. Peters, Richmond county, N.S., and of the evidence taken and report of investigation held by H. P. Duchemin in regard to the same; also a detailed statement of the expenses of such investigation; together with a copy of all recommendations, letters, telegrams and other papers, relating to the appointment of Mr. Morrison's successor.—Mr. Kyte.

For a copy of all correspondence in regard to the disposition of the Marine hospital at Pictou to the town of Pictou, or any other corporation or person.—Mr. Macdonald.

For a copy of all orders, letters, telegrams and other documents in connection with the appointment of Lt. Col. Warburton, as administrative medical officer at the Charlottetown camp in 1912, and of all letters and telegrams asking for a change in the said appointment, and of all orders and other documents relating to his being superseded, and to the appointment of his junior, Lt. Colonel Jenkins, in his place.—Mr. Macdonald.

For a copy of all complaints against Duncan McLeod, appraiser of customs at Sherbrooke, province of Quebec, of all information obtained as to his conduct through seizures of goods by special officers of customs and by investigation; of all reports of investigation. of the Order in Council dismissing said Duncan McLeod; and of all correspondence between him and the Department of Customs.—Mr. McCrea.

For a copy of all charges, correspondence, letters, telegrams and other documents relating to the dismissal of Captain Pope as lighthouse keeper at Scatarie, Cape Breton South, N.S., and of the evidence taken and reports of investigation held by H. P. Duchemin in regard to the same.—Mr. Carroll.

For a copy of all charges, correspondence, letters, telegrams and other documents relating to the dismissal of Frederick Mitchell, from the position of postmaster at Dominion, Cape Breton South, N.S., and of the evidence taken and reports of investigation held by P. H. Duchemin, in regard to the same.—Mr. Carroll.

For a copy of all charges, correspondence, letters, telegrams and other documents relating to the dismissal of Dr. Freeman O'Neil, from the marine hospital at Louisburg, Cape Breton South, N.S., and of evidence taken and reports of investigations held by H. P. Duchemin, in regard to the same.—Mr. Carroll.

For a copy of all charges, correspondence, letters, telegrams and other documents relating to the dismissal of Dr. Freeman O'Neil, from the office of port physician at Louisburg, Cape Breton South, Nova Scotia, and of evidence taken and reports of investigation held by H. P. Duchemin, in regard to the same.—Mr. Carroll.

For a copy of all charges, correspondence, letters, telegrams and other documents relating to the dismissal of Joseph McMullan, from the post office at Brigeport, Cape Breton South, Nova Scotia, and of evidence taken and reports of investigation held by P. H. Duchemin, in regard to the same.—Mr. Carroll.

For a copy of all complaints and charges made against Angus McGillivray, late of the customs office at Glace Bay, Cape Breton South, Nova Scotia, and of all letters, telegrams and correspondence relating in any way to his dismissal and the appointment of his successor.—Mr. Carroll.

For a copy of all complaints and charges made against Joseph McDonald, late of the customs office at Sydney, Cape Breton, Nova Scotia, and of all letters, telegrams and correspondence relating in any way to his dismissal and appointment of his successor.—Mr. Carroll.

For a copy of all charges, correspondence, letters, telegrams and all other documents relating to the dismissal of Captain W. W. Lewis, as shipping master at Louisburg, Cape Breton South, Nova Scotia, and of evidence taken and reports of investigation held by H. P. Duchemin, in regard to the same.—Mr. Carroll.

For a copy of all complaints and charges made against Miss Annie Gallivan, as postmistress at Whitney Pier, Cape Breton South, Nova Scotia, and of all letters, telegrams and correspondence relating in any way to her dismissal and the appointment of a successor.—Mr. Carroll.

For a copy of all complaints and charges made against Miss Gertie Lewis, as postmistress at Main-a-dieu, Cape Breton South, Nova Scotia, and of all letters, telegrams and correspondence relating in any way to her dismissal and the appointment of a successor.—Mr. Carroll.

For a copy of all charges, correspondence, letters, telegrams and other documents relating to the dismissal of Patrick Shea, postmaster at Tompkinsville, Guysborough county, Nova Scotia.— Mr. Sinclair.

For a copy of all charges, correspondence, letters, telegrams and other documents relating to the dismissal of Charles E. Aucoin, collector of customs at Cheticamp, Inverness county, Nova Scotia, and of the evidence taken and report of investigation held by Mr. H. P. Duchemin in regard to the same; also a detailed statement of the expenses of such investigation.—Mr. Chisholm (Inverness).

For a copy of all charges, correspondence, letters, telegrams and other documents relating to the dismissal of Archibald McDonald, preventive officer at Mull River, Inverness county, Nova Scotia.—Mr. Chisholm (Inverness).

For a copy of all charges, correspondence, letters, telegrams and other documents relating to the dismissal of Roderick McLean, postmaster at Kenlock, Inverness county, Nova Scotia.—Mr. Chisholm (Inverness).

For a copy of all charges, correspondence, letters, telegrams and other documents relating to the dismissal of Charles McLean, postmaster at Strathlorne, Inverness county, Nova Scotia.—Mr. Chisholm (Inverness).

For a copy of all charges, correspondence, letters, telegrams and other documents relating to the dismissal of Angus R. McDonald, postmaster at Broad Cove Chapel, Inverness county, Nova Scotia.—Mr. Chisholm (Inverness).

For a copy of all charges, correspondence, letters, telegrams and other documents relating to the dismissal of Daniel McEachern, postmaster at McEachern's Mills, Broad Cove Chapel, Inverness county, Nova Scotia.—Mr. Chisholm (Inverness).

For a copy of all charges, correspondence, letters, telegrams and other documents relating to the dismissal of D. R. McKay, postmaster at East Lake Ainslie, Inverness county, Nova Scotia.—Mr. Chisholm (Inverness).

For a copy of all charges, correspondence, letters, telegrams and other documents relating to the dismissal of D. C. McDonald, postmaster at East Lake Ainslie, Inverness county, Nova Scotia.—Mr. Chisholm (Inverness).

For a copy of all charges, correspondence, letters, telegrams and other documents relating to the dismissal of John McPhail, postmaster at Scotsville, Inverness county, Nova Scotia.—Mr Chisholm (Inverness).

For a copy of all charges, correspondence, letters, telegrams and other documents relating to the dismissal of Allan Gillis, postmaster at Gillisdale, South West Margaree, Inverness county, Nova Scotia.—Mr. Chisholm (Inverness).

For a copy of all charges, correspondence, letters, telegrams and other documents relating to the dismissal of David Shaw, postmaster at Marsh Brook, North East Margaree, Inverness county, Nova Scotia.—Mr. Chisholm (Inverness).

For a copy of all charges, correspondence, letters, telegrams and other documents relating to the dismissal of David Fraser, postmaster at North East Margaree, Inverness county, Nova Scotia.—Mr. Chisholm (Inverness).

For a copy of all charges, correspondence, letters, telegrams and other documents relating to the dismissal of Havelock McLeod, postmaster at Big Intervale, North East Margaree, Inverness county, Nova Scotia.—Mr. Chisholm (Inverness).

For a copy of all charges, correspondence, letters, telegrams and other documents relating to the dismissal of John McRae, lightkeeper at Margaree Island, Inverness county, Nova Scotia, and of the evidence taken and report of investigation held by Mr. H. P. Duchemin in regard to the same; also, a detailed statement of the expenses of such investigation.—Mr. Chisholm (Inverness).

For a copy of all charges, correspondence, letters, telegrams and other documents relating to the dismissal of A. A. Chisholm, fishery overseer at Margaree Forks, Inverness county, Nova Scotia.—Mr. Chisholm (Inverness).

For a copy of all charges, correspondence, letters, telegrams and other documents relating to the dismissal of William A. Dunn, light keeper at Green Island, Richmond county, Nova Scotia, and of the evidence taken and report of investigation held by H. P. Duchemin in regard to the same; also, a detailed statement of the expenses of such investigation.—Mr. Kyte.

For a copy of all charges, correspondence, letters, telegrams and other documents relating to the dismissal of Edward Landry, lightkeeper, Petit de Grat, N.S., and of all evidence taken and report of investigation held by H. P. Duchemin in regard to the same; also, a detailed statement of the expenses of such investigation.—Mr. Kyte.

For a copy of all letters, tenders, contracts, papers and other documents in the possession of the Department of Marine and Fisheries relating to the making and cancellation of a contract or agreement between the said department and one Charles G. Giffin, of Isaacs Harbour, N.S., to perform certain services for the lobster hatchery at that place, and also relating to a subsequent agreement with one Philip McArthur to perform similar duties.—Mr. Sinclair.

For a copy of all letters written to the hon. Minister of Public Works, or to any officer of the Public Works Department, or to any member of the Government since October 10, 1911, by G. A. R. Rowlings, John S. Webb and S. R. Griffin relating to the construction of public works, county of Guysborough, N.S., also a copy of the replies to the same.—Mr. Sinclair.

For a copy of all letters, telegrams, reports, information, convictions and other documents in the possession of the Department of Marine and Fisheries or any officer thereof relating to the prosecution in the year 1910 against George Rowlings and James Rowlings of Musquodoboit Harbour, county of Halifax, for a violation of the fishery regulations.—Mr. Sinclair.

For a copy of all complaints and charges made against Elias Rawding, postmaster at Clementsport, Annapolis county, N.S., and of all letters, petitions, telegrams and other correspondence relating in any way to his dismissal and the appointment of a successor.—Mr. Sinclair.

For a copy of all letters written to the right hon. the Prime Minister, the hon. the Minister of Railways and Canals, or any other member of the Government since October 10, 1911, by S. R. Griffin, Goldboro, N.S., John S. Wells, White Head, N.S., and G. A. R. Rowlings, Sydney, N.S., relating to the construction of a branch line of the Intercolonial railway into the county of Guysborough, N.S., also of the replies to the same.—Mr. Sinclair.

For a copy of all papers and documents of every nature and kind relating to a certain mail contract between Back Shore and Pictou, county of Pictou, since the death of the late contractor, D. G. McKay, in 1912.—Mr. Macdonald.

For a copy of all charges, correspondence, letters, telegrams, petitions and other docu-

ments relating to the dismissal of John H. McMillan, superintendent lobster hatchery at Isaacs Harbour, Nova Scotia, and of the evidence taken and of reports of investigations held by H. P. Duchemin, in regard to the same.—Mr. Sinclair.

For a copy of all correspondence, letters, telegrams and reports regarding the termination of H. D. Decostés contract for carrying the mails between Linwod station and Linwood post office and the making of a new contract with D. Delorey, from the 1st January, 1913.—Mr. Chisholm (Antigonish.)

For a copy of all charges, correspondence, letters, telegrams and other documents relative to the dismissal of John C. McNeil, lighthouse keeper at Grand Narrows, in the riding of North Cape Breton and Victoria.—Mr. McKenzie.

For a copy of all letters, telegrams, reports, charges and other documents relating to the dismissal of Angus Cameron, late postmaster at Fairlight, Saskatchewan, and of the evidence taken at the investigation held by Mr. Dorsett.—Mr. Turriff.

For a copy of all papers concerning the investigation and dismissal of Helen Joubert, postmistress at Sayabec, Quebec.—Mr. Lemieux.

For a copy of all papers and correspondence concerning the claim of Charles Meunier, ex-collector of customs at Marieville, Quebec, for rent.—Mr. Lemieux.

For a copy of all papers, charges, correspondence, letters, telegrams and other documents relating to the dismissal of Thomas Cameron, preventive officer at Andover, N.B., and of the evidence taken and reports of investigation held by Mr. E. F. T. Knowles, in connection with the same.—Mr. Michaud.

For a copy of all letters, papers, charges and correspondence between the Department of Marine and Fisheries and all other persons, regarding the dismissal of Jos. Lord, keeper of lighthouses at Pointe à la Mule on the river Richelieu, parish of Ste. Blaise, county of Saint Jean and Iberville and of all reports thereon with reference to the dismissal of the said Mr. Lord.—Mr. Demers .

For a copy of all letters, papers, charges and correspondence between the Department of Railways and Canals and all other persons, regarding the dismissal of Mr. Francois Chagnon, lock-keeper at Saint-Jean, county of Saint-Jean and Iberville, and of all reports thereon with reference to the dismissal of the said Mr. Chagnon.—Mr. Demers.

For a copy of all charges, correspondence, letters, telegrams and other documents relating to the dismissal of Colin McIsaac, preventive officer at Port Hood, Inverness county, N.S.—Mr. Chisholm (Inverness.)

For a copy of all charges, correspondence, letters, telegrams and other documents relating to the dismissal of D. F. McLean, fishery overseer at Port Hood, Inverness county, N.S., and of the evidence taken and report of investigation held by H. P. Duchemin in regard to the same; also a detailed statement of the expenses of such investigation.—Mr. Chisholm (Inverness.)

For a copy of all charges, correspondence, letters, telegrams and other documents relating to the dismissal and retention of W. Stanley Porter, postmaster, Port Maitland, Yarmouth county, N.S., and of the evidence taken and report of investigation held by Charles Lane in regard to the same; also a detailed statement of expenses of such investigation.—Mr. Law.

For a copy of all papers, documents, evidence, reports and correspondence relating to the dismissal of Thos. H. Hall, sub-collector of customs at Sheet harbour, N.S.—Mr. Maclean (Halifax.)

For a return showing in detail the number of dismissals from public offices by the present Government to this date in the constituency of Victoria, Alberta, together with the names of the dismissed officials, the reason of their dismissal, the complaints against such officials, and a copy of all correspondence with respect to the same and of all notes of evidence and of the reports of investigations where such were held; also the names of all parties appointed to fill the vacancies caused by such dismissals and the names of the persons by whom the same have been recommended for appointment.—Mr. White (Alberta.)

For a copy of all correspondence and papers concerning the increase of salary of M. Sevigny, employed at the immigration office at Montreal.—Mr. Carvell.

For a copy of all correspondence exchanged between Dr. Marcotte, Mr. Lavallée, M.P., the Honourable the Postmaster General and the Minister of Agriculture, concerning the appointment of an additional medical officer at Grosse Isle Quarantine station.—Mr. Lemieux.

For a copy of all papers documents, evidence, reports, letters, correspondence, &c., relating to the dismissal of Samuel Atwood, Atwood's Brook, Shelburne county, N.S.—Mr. Law.

For a copy of all papers, documents, evidence, reports, letters, correspondence, &c., relating to the dismissal of Elnathan D. Smith, fishery overseer, Shag Harbour, Shelburne county, N.S.—Mr. Law.

For a copy of all papers documents, evidence, reports letters, correspondence, &c., relating to the dismissal of T. Doane, postmaster at Shag Harbour, Shelburne county, N.S., and the appointment of his successor.—Mr. Law.

For a copy of all papers, documents, letters, correspondence, &c , relating to the dismissal of John C. Morrison, harbour master at Shelburne, N.S.—Mr. Maclean (Halifax.)

For a copy of all papers, documents, letters, correspondence, &c., relating to the dismissal of John Fredericks, Wharfinger at East Jordon, Shelburne county, N.S.—Mr. Law.

For a copy of all papers, documents, letters, correspondence, &c., relating to the dismissal of John Fredericks, lightkeeper at East Jordon, Shelburne county, N.S.—Mr. Law.

For a copy of all papers, documents, letters, correspondence, &c., relating to the dismissal of Mrs. Spinney, postmistress at Upper Port La Tour, Shelburne county, N.S.—Mr. Law.

For a copy of all letters, petitions, telegrams, complaints, evidence, reports and other papers and documents in the possession of the Post Office Department, or any department of the Government, relating to the proposed dismissal of J. J. McNeil at Grant's Lake, N.S., and if there was an investigation, the names of the witnesses examined and a

detailed statement of the expenses of such investigation.—Mr. Sinclair.

For a copy of all letters, and other documents relating to the mail contract between Scotsburn Station and West Branch, River John, county of Pictou, in the year 1912.—Mr. Macdonald.

For a copy of all letters, and all other documents relating to the establishment of a rural mail delivery service between Merigomish Station county of Pictou, and Arisaig, in the county of Antigonish, in the year 1912. —Mr. Macdonald.

For a copy of all letters, and all other documents relating to the establishment of a rural mail service between Saltsprings and West River Station, in the county of Pictou, in the year 1912.—Mr. Macdonald.

For a copy of all papers, letters and other documents relating to the dismissal of James Arbuckle, caretaker of the public buildings at Pictou, and the appointment of two successors in his stead.—Mr. Macdonald.

For a copy of all papers, letters, telegrams and documents or other communications, had with the Department of Marine and Fisheries or any official thereof, in regard to the prosecutions against the following parties:—Samuel Stewart, Melvin Hart, Andrew McNeil, Thomas McNeil, Hugh Malcolm, Tom Moffatt, James Waddin, Samuel Wright and Dougald Higgins, of Westville, county of Pictou for infractions of the Fisheries Act, and of any applications or letters relative to relief from the fines imposed or the return of the same; and also of all papers, letters and other documents relating to a charge against Rod. Martin, of Westville aforesaid, a fishery guardian, for illegal fishing and other offences.—Mr. Macdonald.

For a copy of all letters, petitions, telegrams, complaints, reports, bonds of indemnity and all other papers and documents in the possession of the Post Office Department or any department of the Government relating to the contract for carrying the mails between Linwood or some point of the Intercolonial railway, county of Antigonish, N.S., and Grosvenor, county of Guysborough, N.S. —Mr. Sinclair.

For a copy of all letters, petitions, telegrams, complaints, reports and other papers and documents in the possession of the Post Office Department or any department of the Government relating to the dismissal of James Bowles, postmaster at Alder River, N.S., and if there was an investigation, the names of all the witnesses examined, a copy of the evidence, and a detailed statement of the expenses of such investigation.—Mr. Sinclair.

For a copy of all letters, petitions, telegrams, complaints, reports, bonds of indemnity and all other papers and documents in the possession of the Post Office Department or any department of the Government relating to the letting of a contract for carrying the mails between Sherbrooke, county of Guysborough, N.S., and Moore's River, county of Halifax, N.S., during the years 1911 and 1912.—Mr. Sinclair.

For a copy of all letters,, petitions, telegrams, bonds, reports and other papers and documents in the possession of the Post Office Department or any department of the Government relating to the letting of the mail contract between Guysborough and Charlos' Cove county of Guysborough, N.S., during the year 1912.—Mr. Sinclair.

For a copy of all letters, petitions, telegrams, complaints, evidence, reports and other papers and documents in the possession of the Post Office Department or any department of the Government relating to the dismissal of George Taylor, postmaster at Bickerton, N.S., and if there was an investigation, the names of all witnesses examined, a copy of the evidence, and a detailed statement of the expenses of such investigation. —Mr. Sinclair.

For a copy of all Orders in Council, memoranda or instructions issued to or written to H. P. Duchemin in connection with his appointment as a commissioner to conduct investigations regarding political partisanship in the province of Nova Scotia; also a copy of all letters received by any department of the Government from the said H. P. Duchemin relating to such investigations since the date of his appointment as such commissioner, and all instructions of whatever nature at any time issued by him relating to such investigations.—Mr. Sinclair.

For a copy of all letters, petitions, telegrams, complaints, evidence, reports and other papers and documents in the possession of the Post Office Department or any department of the Government relating to the dismissal of Captain Freeman Myers, postmaster at Cole Harbour, Guysborough county, N.S., and if there was an investigation the names of all witnesses examined, a copy of the evidence, and a detailed statement of the expenses of such investigation.—Mr. Sinclair.

For a copy of all letters, petitions, telegrams, complaints, evidence, reports and other papers and documents in the possession of the Department of Railways and Canals, or any department of the Government, relating to the dismissal of Alex. McInnes, car inspector of the Intercolonial railway at Mulgrave, N.S., and if there was an investigation, the names of all witness examined, a copy of the evidence, and a detailed statement of the expenses of such investigation. —Mr. Sinclair.

For a copy of all letters, petitions, telegrams, complaints, evidence, reports and other papers and documents in the possession of the Department of Railways or any department of the Government, relating to the dismissal of Philip H. Ryan, an employee of the Intercolonial railway at Mulgrave, N.S., and if there was an investigation, the names of all witnesses examined, a copy of the evidence, and a detailed statement of the expenses of such investigation.—Mr. Sinclair.

For a copy of all letters, petitions, telegrams, complaints, evidence, reports and other papers and documents in the possession of the Post Office Department or any department of the Government, relating to the dismissal of John F. Reeves, postmaster at Mulgrave, N.S., and if there was an investigation, the names of all the witnesses examined, a copy of the evidence, and a detailed statement of the expenses of such investigation.—Mr. Sinclair.

For a copy of all letters, petitions, telegrams, complaints, evidence, reports and other papers and documents in the possession of the Post Office Department, or any depart-

ment of the Government, relating to the dismissal of Stanford Langley, postmaster at Isaac's Harbour north, N.S., and if there was an investigation the names of all witnesses examined, a copy of the evidence, and a detailed statement of the expenses of such investigation.—Mr. Sinclair.

For a copy of all letters, petitions, telegrams, complaints, evidence, reports and other papers and documents in the possession of the Department of Marine and Fisheries, or any department of the Government relating to the dismissal of Levi Munroe, harbourmaster at White Head, N.S., and if there was an investigation, the names of all witnesses examined, a copy of the evidence, and a detailed statement of the expenses of such investigation.—Mr. Sinclair.

For a copy of all letters, petitions, telegrams, complaints, evidence, reports and other papers and documents in the possession of the Department of Marine and Fisheries. or any department of the Government, relating to the dismissal of Patrick Conway, lightkeeper at White Head Island, N.S., and if there was an investigation, the names of all the witnesses, a copy of the evidence, and a detailed statement of the expenss of such investigation.—Mr. Sinclair.

For a copy of all letters, petitions, telegrams, complaints, evidence, reports and other papers and documents in the possession of the Department of Marine and Fisheries, or any department of the Government, relating to the dismissal of David Reid, fishery officer at Port Hilford, N.S., and if there was an investigation, the names of the witnesses examined, a copy of the evidence, and a detailed statement of the expenses of each investigation.—Mr. Sinclair.

For a copy of the report made to the Minister of Railways and Canals by the party of Government engineers who inspected the Quebec and Saguenay railway during December 1912, January, 1913.—Mr. Lemieux.

For a copy of all letters, correspondence, &c., respecting the request for suspension by H. Boulay, of J. Stahl, assistant inspector of immigration on the railway.—Mr. Boulay.

For a copy of all letters, telegrams, tenders, acceptances of tenders, cancellation of tenders and other papers and documents in the possession of the Department of Railways and Canals, or any department of the Government, bearing date after July 1, 1912, relating to the supply of ice for the use of the Intercolonial railway at Mulgrave, N.S.—Mr. Sinclair.

For a copy of all correspondence, papers, &c., concerning the application made by the Long Sault Development Company, with a view to dam the St. Lawrence river above the Long Sault Rapids from the American to Canadian side.—Mr. Lemieux.

For a copy of all correspondence, papers, &c., concerning the application made by the Eastern Canada Power Company, with a view to raise the head of the river St. Lawrence in the vicinity of Coteau, Cedar, Split Rock and Cascade Rapids to the level of the water in lake St. François.—Mr. Lemieux.

For a copy of all charges, letters, correspondence, telegrams and other documents relating to the dismissal of E. A. Asker, harbour-master at Campbellton.—Mr. Reid (Restigouche).

For a copy of all petitions since the 1st of October, 1911, addressed to the Governor in Council, or to any member of the Government, asking for a remission and the adjustment of the duty on cement; of all letters to the ministers individually on the same, of all correspondence and of all Orders in Council.—Sir Wilfrid Laurier.

For a copy of the report of the commission appointed to investigate complaints against the United Shoe Machinery Company, and the Order in Council appointing the commission, of the complaints upon which the order was issued, and of all action, if any, taken by the Government on report of commission, by Order in Council or otherwise.—Sir Wilfrid Laurier.

For a copy of the evidence taken at the inquiry held in the month of November, 1912, by Mr. McDonald, superintendent of the Intercolonial at Levis, in reference to Alfred Laugnay, an employee of the Intercolonial at St. Charles, county of Bellechasse.—Mr. Lapointe (Kamouraska).

For a copy of all charges, correspondence, letters, telegrams and other documents relating to the dismissal of John R. McLennan, janitor of the public building at Inverness Town, Inverness county, Nova Scotia, and of the evidence taken and report of investigation held by Mr. H. P. Duchemin in regard to the same; also a detailed statement of the expenses of such investigation.—Mr. Chisholm (Inverness).

For a copy of all charges, telegrams and other documents relating to the dismissal of Alex. McQueen, postmaster at Kewstoke, Inverness county, Nova Scotia, and of the evidence taken and report of investigation held by H. P. Duchemin in regard to the same; also a detailed statement of the expenses of such investigation.—Mr. Chisholm (Inverness).

For a copy of all correspondence, letters and telegrams between the hon. Postmaster General or the Post Office Department and any person or persons relative to the dismissal or request therefor of D. A. Redmond, until recently postmaster at Brinston, Ontario.—Mr. Graham.

For a copy of all correspondence, papers, &c., concerning the application by James McKelvey, of the town of Sarnia, Ontario, for Fenian Raid volunteer bounty.—Mr. Pardee.

For a copy of all letters, petitions, telegrams, complaints, evidence, reports and other papers and documents in the possession of the Department of Railways and Canals or any department of the Government relating to the dismissal of A. J. Wilkinson, at Mulgrave, N.S., and if there was an investigation, the names of all witnesses examined and a detailed statement of the expenses of such investigation.—Mr. Sinclair.

For a copy of all charges, correspondence, letters, telegrams and other documents relating to the dismissal of Arthur Talbot, late postmaster at Robertville, county of Megantic, province of Quebec.—Mr. Pacaud.

For a copy of all letters, telegrams, complaints, petitions or other documents of any kind received by the Government or any member or official thereof relating to the conduct of J. Morgan, one time postmaster of the village of Ailsa Craig, Ontario, as such,

and relating to an investigation into said conduct.—Mr. Ross.

For a copy of all diaries and other documents relating to and showing the work performed during the months of June and July, 1912, by homestead inspectors Brandt, Balfour, Ouellette and Sipes, in the Regina land district.—Mr. Martin.

For a return showing the expenses of homestead inspectors Brandt, Balfour, Ouellette and Sipes during the months of June and July, 1912.—Mr. Martin.

At six o'clock House adjourned.

HOUSE OF COMMONS.

THURSDAY, January 30, 1913.

The SPEAKER took the Chair at Three o'clock.

REPORT PRESENTED.

Report of the Department of Trade and Commerce for the year ended March 31, 1912, Part I.—Mr. Foster.

CANADIAN PACIFIC RAILWAY ACT AMENDMENT.

Mr. TURRIFF moved for leave to introduce Bill No. 104, to amend an Act respecting the Canadian Pacific Railway, chapter 1 of the Acts of 1881. He said: It will be remembered that some years ago the Government took steps to ascertain the cost of construction of the Canadian Pacific railway, and whether the time had arrived when the company should receive the benefit of section 20 of schedule A of the Canadian Pacific Railway Act. The company represented to the then Minister of Justice that it would be a long and expensive matter for them to prepare a statement as to the cost of the road, and that they were quite willing to forego any advantages or rights to which they might be entitled under that section, and to put themselves unreservedly into the hands of the Board of Railway Commissioners under the same conditions as those that applied to any other Canadian railway company. The Government agreed to let the matter drop, and it has thus remained ever since. Ten years from now, or even twenty, the railway company might come forward and state that that was merely a letter written by an officer of the company without any authority, and that they did not propose to stand by it. The object I have in view, therefore, is simply to repeal section 20 of schedule A of the Canadian Pacific Railway Incorporation Act, which, I understand, will place the company in the identical position in which they have voluntarily placed themselves.

Motion agreed to, and Bill read the first time.

QUESTIONS.

(Questions answered orally are indicated by an asterisk.)

BONAVENTURE CENSUS ENUMERATORS.

Mr. MARCIL:

1. Has the Minister of Agriculture been requested to ascertain what became of the cheques issued by his department to certain census enumerators of Bonaventure county in August or September, 1911, and which never reached the parties they were intended for?

2. If this has not yet been done, does the minister intend holding such an investigation as will reveal full knowledge on this point?

Mr. FOSTER:

1. A communication was addressed to the Minister of Agriculture on June 17, 1912, calling attention to the fact that many of the census enumerators in Bonaventure county had not been paid in full the amount due them for their work, and asking what had been done. The facts are these: The census branch was notified in March that certain enumerators complained that they had received cheques for balance of account only and not principal. This led to the discovery that the first cheques sent to the enumerators in question in September, 1911, had not been received. The Post Office Department was immediately requested to trace the missing cheques, which they were unable to do. Bonds of indemnity were then required to enable duplicate cheques to be issued. After a delay owing to inaccuracies in drawing some of the bonds, duplicate cheques were issued. As the bonds were corrected duplicate cheques were issued, the last being forwarded in September last year.

2. Under the circumstances, an investigation does not seem to be necessary.

INTERCOLONIAL RAILWAY—COUNTRY HARBOUR BRANCH.

Mr. CHISHOLM (Antigonish):

Has a survey been made for the proposed railway route between Country Harbour, Guysborough county, through the South River Valley, connecting with the Intercolonial? If so, has report been made thereon?

Mr. COCHRANE: The department has no knowledge of any such survey having been made.

MEDICINE HAT MAIL DELIVERY.

Mr. BUCHANAN:

1. Has the Post Office Department been asked to establish a street delivery of mail in the city of Medicine Hat, Alberta?

2. If so, when will the service be established?

Mr. PELLETIER: Instructions were issued on the 28th instant, to put street let-

ter carrier service into operation at Medicine Hat. It is not possible to give the exact date on which the service will go into operation, but it will without doubt be within the next week or ten days.

PARLIAMENTARY DRINKING WATER.

*Mr. EDWARDS:

What provision, if any, is made for supplying members and employees of the House of Commons with pure drinking water?

Mr. ROGERS: The Commons and Senate are supplied with pure sterilized drinking water from a Forbes sterilizer located on the third flat of the main building. The water is brought from tanks to the filter, then through a Forbes sterilizer, which operates on the boiling principle. It is then passed through coils of galvanized metal tubing, through an iced chamber under the sterilizer, to seven taps distributed throughout the building as follows: two in the Commons Chamber, on each of which is a filter; one outside the west door of the Chamber, where there is a cooler; one in room 16; and three in the different corridors, one on each flat. The above-mentioned storage tanks contain a reserve supply of about one thousand gallons, and, as the water stands in the tanks for some little time before being filtered, there is no sediment going into the filter. These taps are steam-cleaned once a month; while the filters are cleaned twice a week, by reversing the water through them. The water supply is examined once a week by Dr. C. H. Higgins, pathologist of the Department of Agriculture, and his reports show that the supply of water passing through these filters has never been contaminated; and, during the recent civic investigation, the statement was made by Dr. Higgins in his examination that the Parliament buildings had the best water in the city, owing to the sterilizing plant. At the present time, the Forbes sterilizer of the Senate is out of order; therefore they are supplied from the one in the House of Commons. Tanks for drinking purposes are placed in seven different places throughout the House of Commons building. These tanks are divided into two compartments, one for drinking water, and the other for ice; so that the water, after being sterilized, may not again become contaminated by the addition of impure ice. In this connection, I wish to direct attention to the fact that in the drinking tanks we have supplied, there is in each two taps, one for drawing off the melted water of the ice, which must be disposed of as it accumulates, and the other for drinking purposes. That from the ice is necessarily impure, as it has not been sterilized, but notwithstanding that, some members and employees persist in drinking it instead of the pure water, presumably because it is cooler than the other; those who do so run great risk from it, but have only themselves to blame. My attention has been drawn to the fact that in the different members' rooms are water pitchers, which are filled with ice and water. The water is sterilized, but by the ice being put into it, it again becomes more or less contaminated. I desire to draw the attention of the members to this, and to suggest that they refrain from using ice in the water pitchers in their rooms.

LETTER CARRIERS.

Mr. MARTIN (Regina):

1. Has the Government, or any member thereof, received any representations from the letter carriers of Canada asking for an eight hour day?

2. Has any representations been made with respect to placing a limitation on the weight of mail to be carried by a letter carrier, his rate of pay, and with respect to conditions generally affecting this class of Government employees?

3. Has the Government dealt with any of the matters referred to in questions 1 and 2? If so, with what results?

Mr. PELLETIER:

1. Yes.

2. Yes.

3. Favourable consideration has already been given to the eight hour day request, and to the question of placing a limitation on the weight of mail. The other matters referred to are before the department, and their consideration is connected with the enormous increase asked by the tramway companies for the transportation of the letter carriers.

CITY POST OFFICE CLERKS.

Mr. MARTIN (Regina):

1. Has the Government, or any member thereof, received any representations asking for amendments to the Civil Service Act providing for the abolishment of present classifications of clerks in the city post offices, and substituting therefor two classes to be known as clerks and supervisors?

2. Has the Government received any representations asking for a general increase in the salaries paid to clerks in the city post offices?

3. Will any legislation in regard to the matters referred to in questions 1 and 2 be introduced at this session of Parliament?

Mr. PELLETIER:

1 and 3. Yes. The question has not yet been considered.

2. There was a general increase on the 1st of April last, amounting to about $250,000 a year.

CANADA GRAIN ACT.

On the Orders of the Day being called:

Mr. KNOWLES : Could the Minister of Trade and Commerce answer my question of the other day, whether in the amendments which he proposes making to the Canada Grain Act, he will provide for the establishment of sample markets at places other than those now permitted, and the appointment of a survey board at other places ?

Mr. FOSTER : I shall have to ask my hon. friend to wait until to-morrow.

RADIOTELEGRAPHY.

Mr. HAZEN moved the second reading of Bill No. 26, respecting Radiotelegraphy. He said: This Bill, which I explained on the first reading, has been allowed to stand in order that the different interests concerned might have an opportunity of making representations upon it. Such representations have been made, and I am now asking to have the Bill read a second time in order that it may be referred to the Committee on Marine and Fisheries, which seems to be particularly qualified to deal with it, in order that these interests may make their views known and in order that we may have the advantage of the close attention which can be given to the Bill in that committee. The shipping interests of Canada will meet here next week, and I have thought that they should have an opportunity of appearing before a committee of the House.

Mr. LEMIEUX : I have no observations to make on this Bill except to commend it. Has Canada adhered to the convention upon radiotelegraphy ?

Mr. HAZEN : Yes.

Motion agreed to, Bill read the second time, and referred to the Select Standing Committee on Marine and Fisheries.

BANKS AND BANKING.

Consideration of the motion of Hon. W. T. White (Minister of Finance) for second reading of Bill No. 36, respecting Banks and Banking, resumed from January 28.

Hon. H. R. EMMERSON (Westmorland): The important matter involved in this Bill is now, and has been for a number of years in Canada, of very widespread interest, as is evidenced by the agitation on the platform, in this House, and in the press of the country with respect to it. That it has not been earlier discussed by Parliament is due to circumstances which are well known, not only to the members of this House, but to the people of the country at large. I am sure that we must all recognize its importance apart from the fact that it has such general discussion. It is not my purpose, to go into a comparison between the banking system of Canada and the banking systems of other countries. I shall leave that to others who are more competent. I have listened to the discussion that has taken place so far with the greatest possible interest. I am sure that we all appreciate the admirable speech —I call it a speech, but it was a treatise on the subject of the banking conditions which prevail in Canada—of the hon. member for South York (Mr. Maclean). It was suggestive, as a statement of the conditions not merely in Canada, but elsewhere, and of reforms—which, in the judgment of the hon. member, should be very seriously taken into consideration by the House. I shall not comment upon the radical nature of some of the hon. gentleman's suggestions. I shall content myself with saying that in my judgment very many of them are worthy of the most serious consideration. In addition to that address we listened to a very careful and accurate statement on the subject of banking conditions in Canada from my hon. friend the member for West Middlesex (Mr. Ross), and I am sure that some of the propositions which he brought to the notice of the House should have our fullest consideration. Certainly they are such as are having, and have had for many years, the earnest consideration of the people of Canada. We also listened, I am sure with great attention, to the able speech of my hon. friend from North Ontario (Mr. Sharpe). With a daring and courage which I commend, under the circumstances, he placed before this House suggestions which, if they do not receive here, the consideration that is their due, will, I feel sure, receive it in the country. Why do I use the word 'courage'? I lay it down, without regard to political affiliations or the complexities of partyism, that it requires courage on the part of any hon. member to stand up in this Chamber and fully and comprehensively discuss this question in the way he would discuss it in private or in his business relations. When these difficulties are complicated by circumstances which require a member of this House to have consideration not only for the requirements of the country but for the restraints and exigencies of party government, I think the hon. member who has that courage is entitled to commendation. My hon. friend from West Middlesex in presenting his views, did not run counter to the views of those with whom he is associated; but my hon. friend from North Ontario did run counter to the views expressed by those with whom he is politically associated, and for whom he has the highest regard and the warmest feelings of personal

and political friendship. The difficulties that my hon. friend had to face have been evidenced in this House since that speech was delivered. In making his statement he received the support and plaudits of many around him, but since that night there have apparently been many changes, and the necessity of courage and daring has been exemplified by the attitude of my hon. friend the Minister of Finance. I am not complaining of that attitude, which has been buttressed by the very strong statements of the right hon. leader of the House.

I do not propose to follow the part played by the hon. member to whom I have referred. He dealt very fully and comprehensively with the objections found in the proposed legislation. In many of those criticisms and objections I heartily concur. I do not propose to condemn in toto the banking system of Canada. I shall rather deal with the question from the standpoint of the atmosphere which surrounds the financial and banking conditions in Canada to-day. My hon. friend from North Simcoe (Mr. Currie) delivered a very able and comprehensive speech; indeed, I thought it fully met the expectations and demands of the hon. member for South York in one particular at least. My hon. friend from South York laid it down that what this country most needs, before we deal with the details of this Bill, is a monetary commission such as they had in operation about three years ago in the Republic to the south of us. He earnestly contended that there was in Canada to-day a want of information with respect to the inner workings of our banking system. He demonstrated, I think, with much force and fairness, the fact that there was an ignorance prevailing throughout Canada as to the internal workings and management of the banks. This, he pointed out, should be brought to the attention of the general public, should be inquired into, in order that the people—indeed that the members of this House—might be better informed than they are with respect to the matters involved in this Bill. But, after the speech of my hon. friend from North Simcoe (Mr. Currie), I had almost concluded that the aim of my hon. friend from South York had been accomplished. The hon. member for North Simcoe gave us the details not merely of the banking system in Canada but in every other country with such vividness and force that I came to the conclusion that we might perhaps drop the contention of my hon. friend from South York and lay aside the question of a monetary commission.

I said that I would deal with the atmosphere rather than with the details of this Bill. I think it can very well be dealt with on this motion because the subject is one that is so far-reaching and affects so many interests in the country that it is well, before we can reach the point of considering this Bill section by section, that we should have an understanding as to the circumstances and environment as they prevail in Canada in connection with the whole system of banking and the powers we grant to great corporations. I start out with this proposition, that the Bank Act, as it has been on the statute-book for the past decade, has resulted in the creation of the most powerful monopoly that exists in Canada to-day. Not only is it powerful, but there is no greater nor more tyrannical combine. Tyranny is breathed in every paragraph of the Bill under consideration. The Canadian Bankers' Association are not as most other associations. They have powers that no other body in this country has in matters of trade within their jurisdiction. They have powers which are autocratic in themselves and in their exercise. They are supreme. In a case of failure or bankruptcy, in the ordinary course of life and business, whether it is industrial or mercantile, the creditors have something to say as to who shall have a voice in the winding up of the bankrupt concern. But, in the case of a bank which has got into financial difficulties, the Bankers' Association can walk right in, take charge of the bank and its affairs regardless of the shareholders, the depositors or anybody connected with the institution. That is a power that is autocratic, and it is not always exercised in the interests of the shareholders or particularly in the interests of the depositors who are the creditors of the institution. They can take charge of a defunct or suspended bank, control its assets, appoint their own curator and do what they wish with the assets without reference to the banks creditors and shareholders. That statement, I am sure, is incontrovertible and such a condition gives to the Bankers' Association a despotic power. There is a very great question as to whether there should not be some limitation to that despotism. I know there are some who can defend it and defend it with a great many good reasons. Despotic government can be defended for like reasons. Autocracy in government can be defended. It all depends upon the autocrat and the despot. It has been claimed that despotic governments have been signally successful in comparison with more democratic governments. I do not know that any of us would wish to subscribe to the theory that, because, under certain circumstances despotism has been successful, we should therefore wish to adopt it. The Canadian banking system has served a very excellent purpose and, I would say frankly, it has contributed very materially to the advancement of the busi-

ness interests of Canada. But, I will not admit, because I could not in truth admit, that it is a perfect system and that we should not apply the remedy where defects are seen. To accept conditions as they are because they have existed for many decades in Canada is not sound or good reasoning. To say that it has worked measurably well is no reason for this Parliament saying that there is no use in attempting to improve it; that we cannot safeguard the interests of the people, because it has worked well in many instances in the past. My hon friend from North Ontario voiced not only the sentiments of the people in regard to the conditions prevailing in our banking system, but of a great many people with respect to the powers that are enjoyed by very many of the great corporations in Canada. Do we realize how confined as to individuals are the forces which govern the financial institutions of this country? Have we stopped to think and to count the number of men in Canada who control not only the banking system, but the insurance companies, the loan companies, the trust companies and the mortgage companies of Canada? Has it been brought to the notice of this Parliament that Canada to-day is controlled, in so far as its financial interests are concerned, by less than fifty men? I was much interested recently in reading an article with respect to this condition of things. We all know that in the United States the number of men who control—I shall not say govern—the financial interests and the great corporation interests, can be counted on the fingers of my two hands. The Rockefellers, the Morgans, the Vanderbilts, the Goulds and a few others comprise the men who are the directive forces of all the great corporations in the United States. In elaborating that idea, I cannot do better than read some extracts from a book which was recently sent me by the president of one of our Canadian universities. The book has relation to the conditions which prevail in the United States; and points out the dangers and the menace in the trend of legislation in that country, in regard to the control of its business and financial interests. I read it with interest, and I deem it to be sensible and to the point. I think I can afford to ask this House to listen to some brief extracts from the opening chapters of that book. The author, in speaking of the social order and the conditions which have prevailed in the United States for the past ten years, says:

> Most of us were eager to get the better of our fellows by seizing some advantage which the rest could not get. Our vast continent offered unrivalled chances for this great American game. But at last we have begun to realize that some have played the game according to the accepted rules, but with unexpected effectiveness. The natural resources of this country are passing into the control of a minority. An ever increasing number of people are henceforth to live in a land owned by an ever decreasing number. The means of traffic are the arteries of the social body; every freight car is a blood corpuscle charged with life. We have allowed private persons to put their thumbs where they can constrict the life blood of the nation at will. The common people have financed the industry of the country with their savings, but the control of industry has passed out of their hands completely. The profits of our common work are absorbed by a limited group; the mass of the people are permanently reduced to wage earning positions. The cost of living has been raised by unseen hands, until several millions of our nation are unable to earn even the bare minimum which social science declares necessary for health and decency, and all families living on a fixed income have felt a mysterious and suffocating pressure.

The learned writer goes on to say:

> All this was the necessary outcome of our economic system; but it was a sore surprise to most of us when the process began to culminate and we saw the end of our own doings.

I have read that with the idea of emphasising conditions which exist and which have existed for the past decade in the United States, and with a view of pointing out that the operations which have resulted from the system prevailing in the United States, are sufficient to demonstrate to us that the same forces, the same dominating influences in Canada, are a menace to the great masses of the people. There is lurking in every section and paragraph of this Bill the atmosphere of that menace. While those influences in the United States are limited to say ten men as controlling the great financial interests of that country, we in Canada have the condition of practically twenty-three men controlling the great corporate interests, the financial institutions, the insurance companies and the trust and loan companies of the country. These men do not own all the stock; but they are the directing forces on the boards of directors: they are the influences that move and control at will the great body of people who are in any way interested in those corporations, whether financial, industrial, or insurance. In the information, which was brought to my notice, and which I shall presume to impart to the House in order to have it placed on 'Hansard,' I read that a certain gentleman, whose name is not important, compiled a list of companies, whose capitalization—bonds and stocks—reaches or exceeds $500,000, including a few insurance companies of smaller capitalization, because of the magnitude of their funds available for investment; and he discovered that the directors who are common to the 121 leading Canadian corporations can be sifted down to forty-eight,

all residents in Canada, with the single exception of Lord Strathcona. Of these 121 corporations, eight are operating outside of Canada. The 48 directors are on the boards of at least three companies of the 121. The same inquirer found further, that at the bottom of the whole economic structure in Canada were 23 capitalist directors who are members of 90 out of the total 121 corporations. In other words, these twenty-three men are the directive forces in practically all of Canada's economic life. Out of the twenty three, nine reside in Toronto —Toronto the Good ! thirteen in Montreal —Montreal the Bad ! and one in England. He gave a table which shows the total number of directorships held by each one and the distribution of their directorships in different fields, transportation, industrial and financial, as well as the total capitalization and assets of the companies in which each is interested. This House at this moment is not interested in that table, and I will not encumber 'Hansard' with the recital of what it contains. Reference is then made to a chart designed to illustrate the situation. Each group is represented by a circle, the size of which is said to be roughly determined by the capitalization of each. This chart shows that twenty-five of the forty-eight directors are common to each of the three classes, constituting the financial group, that only four are common to the four classes of the industrials, and that four also are common to both classes of the transportation group. The relation of each group to the others is shown by the 'interlocking' of the circles which indicate that one director is common to the financial and industrial groups, two are common to the financial and transportation groups, and the two also are common to the transportation and industrial groups. But this 'interlocking' reveals one other very interesting point, the number of directors common to the three groups, financial, industrial and transportation. This number is twenty-three, as has been stated before. It is represented in the chart which the writer gives, but which I do not presume to place before the House. But it shows that there is a Canadian financial triangle which is of serious importance to the condition of the great masses of the people of this country. In Canada, the concentration of capital has developed to a very large extent. This is in conformity with the world-wide movement of corporate activities. We need not, therefore, be startled when we learn that the base of the economic structure of Canada is to be found in a triangular formation consisting of twenty-three capitalist-financiers upon whom depend in a very large measure the type and direction of material prosperity.

Now, Sir, these facts, which can be tested by the returns of corporations of the several classes—certainly are sufficient to alarm even this House in respect to many of the provisions which are contained in this Bill. I am free to say that, in the struggle which is going on between the corporate interests and the people of this country, I am on the side of the under dog; and I recognize that the people of Canada constitute the under dog in this struggle. I recognize also that one of the vital, potent forces in that struggle is the banking interest of Canada.

In the consideration of this Bill I wish to lay down what I deem to be an axiom, one that should be followed and observed in the interpretation of every paragraph contained in the Bill. I hold that where a public concession is given on which a business is more or less grounded, compensation to the public should be rendered and public supervision should be exercised. And I propose to discuss this Bill from that standpoint of principle. I believe also—in fact it is a truism—that power unrestrained tends to tyranny. I am willing that the Bankers' Association of Canada—aye, even the bankers of Canada and the banking system of Canada—shall exercise their great powers in the life of this country. I believe that in so doing they will only be acting in the interest of those who are interested in banking—the business community at large. But I hold that that power should be restricted in the interests of the masses of the people. I would therefore seek to discuss this Bill from that standpoint—that while I am willing they shall have great power, I shall insist that in the exercise of these powers there shall be a restraining influence that will, measurably at least, prevent abuses and safeguard the general interest. We cannot be too vigilant with respect to this measure. Eternal vigilance is not only the price of liberty, it is the price of everything else; and the people who allow their liberties to drift into the hands of the 'strong man' get what they deserve. The history of the United States has demonstrated this, to a degree which I hope will never be attained in Canada. My point in bringing to the notice of the House some of the exceptions I make to this Bill is my desire to have exercised, in the framing of the different powers, a restricting influence which, may be vigilantly exercised in order to preserve to the people of the country and to the business interests of this land the liberty which should be theirs. If that vigilance is not exercised the price would be too great for them to pay.

My hon. friend the Minister of Finance, who may not be in accord with the views

I express, was charged, when he came into this Parliament, as coming here under the ægis of the strong man in Canada; with a mandate from the big Canadian interests to do their will in so far as it was possible for him to do so in the Parliament of Canada. I have witnessed the course and conduct of my hon. friend since he took his seat in this House, and when these statements were made with respect to his position I am bound to say I doubted the wisdom of their acceptance as being the truth. The very countenance of my hon. friend dispels suspicion, and his genial smile and courteous attitude on the floor of this House are such as to beget confidence—I speak with regard to the conduct of my hon. friend since he came into this House—and I accepted his statement when he repudiated such an insinuation as I have referred to. But sometimes there is in my mind a revival of the doubt which was openly expressed by others. I am bound to say that in his treatment of this Bill that doubt has arisen, and particularly so as pertaining to the course matters have taken since the Minister of Finance moved the second reading of this Bill. Many of my hon. friends opposite applauded the remarks of the hon. member for North Ontario and I realized then that the utterances of that hon. gentleman were finding a lodgement in the hearts and minds of many gentlemen opposite, as they found lodgement in mine. But there are some indications of a suppression of that zeal which should be exercised in the interests of the shareholders, the depositors, and the people at large, and if there were no room for doubt in respect of the attitude of my hon. friend the Finance Minister, I need only turn to my right hon. friend the leader of the House and review his verbal utterances, not merely in themselves, but considering also the tone and spirit with which he made them. It is not a matter incumbent upon me to criticise the intentions of any hon. member, and I have no such desire, but I do say that no member of this House can sit here and watch the trend of events without realizing that there are, at times, influences at work which bring about strange conditions. I have sat in the Parliament of Canada for—I have forgotten how long; the years have been too many, I admit. But I have observed that not merely this year, not merely last year, but through all the years during which I have had the honour of occupying a seat in this House, the trend of legislation has been in favour of the corporate interests of the country. No hon. gentleman can sit as a member of the Banking and Commerce Committee or the Railway Committee of this House, —sitting after sitting, year after year, and session after session—without realizing that there are forces working with a view to the control by a very few of the great transportation and financial interests of the country. I sat only yesterday with the Banking and Commerce Committee, and I witnessed another attempt—as I have witnessed on many an occasion the attempts not in the interests of the people—for the enlargement of power and for the creation of forces that will tend to benefit special interests, and not the interests of the great masses of the people. That spirit, Mr. Speaker, is not confined to your right or to your left; it is wide-spread and general. I venture to make the statement that the great transportation interests, the great banking interests and the great industrial interests of this country have no party politics; they enter the door whether it is open or shut, and they care not whether that door is to your right, Mr. Speaker, or to your left. These facts and conditions should certainly demonstrate to us the fact that here is need for vigilance in dealing with the matter now engaging our attention.

In listening, as I have said, to the discussion which has thus far taken place on this subject, I have found that three features of the Bill have been particularly criticised. The greatest criticism has been made with respect to inspection; another one of adverse comment was with regard to the safeguards that are not applied, but which should be applied in this Bill, in the interests of the depositors. There has not been so much said with respect to the interests of the shareholders, only in so far as is concerned the inferential statement regarding the demand for a more perfect method of examination and inspection. The hon. member for North Ontario favoured smaller banking institutions, and emphasized very strongly the necessity of government inspection, showing wherein the attention of the Government might well be directed towards an attempt to further improve the banking system of Canada. My hon. friend did it on the invitation of the Finance Minister himself, and any suggestions which I may offer I will offer first because it is my right and privilege as a member of this House to do so, but also because my hon. friend particularly invited suggestions. I am not criticising the Bill simply from a desire to criticise. We are all in the same position. My hon. friend from North Simcoe is always in a happy frame of mind but he is in a very happy state, because he does not owe any Bank anything and therefore he can say what many cannot, that he is absolutely independent and he rather wished us to believe that he or any man who did owe the banks would be under a restraint in the expression of his opinions. My hon. friend inferentially and by implication gave utterance to a truth. I know how

powerful the banking interests of Canada are, we all know that these influences are wide-spreading, that they are forceful—I hope that they are not vengeful, but whether they are or not, I do owe banks and have had business interests with banks and hope to continue doing so, but in having business relations with them I do not suppress my manhood and do not place myself in a position whereby I cannot exercise my duty conscientiously and fearlessly as a member of the House and a representative of the county which did me the honour to send me here. The criticisms which I shall make, are made, as I believe, not only in the interests of the people but of the banks themselves.

The minister has proposed to afford by this measure a system of audit. He is pleased to term it an external audit, he is pleased to refer to it, if not in direct words, by inference as an examination from the outside. In bringing in that provision he admits that there has been in Canada and is today a demand on the part of the people that there shall be some sort of external examination of the affairs of the banking institutions of this country. As has been said, the newspapers, irrespective of party, especially during the exposure of the horrible revelations with respect to the Farmers' Bank, have been demanding Government inspection, they were unanimous in the demand for an improved audit or examination. But I have not seen in the press or heard in this House during the past few months of any very great demand for an external examination. One newspaper writer has aptly criticised the proposed audit by an epigram. He says that the Finance Minister proposed to have an outside audit by an inside auditor, and that was the meaning of the amendment which he is offering. On the first reading I asked the minister if his proposition did not practically mean that his method of selection of the outside auditor or the auditor of the shareholders would result in the views and interests not merely of the directors but of the managers of the banks prevailing, and we know that that would be the practical effect. In theory it would be very nice indeed but we know that at annual bank meetings the slate of the board of directors is made out beforehand, that everything has been cut and dried, that proxies have been secured to enable the board of directors or the bank managers and its officers to do just what they please and select whom they please to sit on the board. This proposal would result in placing in the hands of the directors the appointment of an outside auditor. I do not insinuate or think that they would not act conscientiously and honestly in it, but the matter should be so arranged that in the appointment of that auditor or examiner there shall be no interest that could be in any way influenced one way or the other with regard to it. The answer of the Minister of Finance and of the right hon. the Prime Minister is that this Government inspection which has been proposed would be ineffectual and illusive. There would be a false sense of security on the part of the public and shareholders, and it would lessen the sense of responsibility in directors. Now, Sir, if that were true, there would be much force in the objection taken by my hon. friend. But I hold that it would not so work out. Why, that principle is incorporated in all government operations of this country. With respect to our Pure Food Act, an inspector is appointed. With respect to our steam boats which ply on our Great Lakes and round our coasts, an inspection is required. Does it create a false sense of security to have inspectors in every direction under government control? Why, Mr. Speaker, it seems so utterly absurd that it carries with it its own refutation. In the matter of our agricultural interests it is necessary to have government inspectors going through the country in connection with our fruit growing, our cereals, and every branch of government operation. Does it create a false sense of security, and do the people lie down and take no safeguards in their own interests? No, Mr. Speaker. I have before me a book written by a very eminent banker, Mr. H. C. McLeod, formerly general manager of the Bank of Nova Scotia, if I am not mistaken a banker of very high reputation who enjoyed the confidence of that great institution, and whose words I think are entitled to very serious consideration. He said on page 11:

Prior to the crisis of 1893 the audit of banks in Australia seems to have been provided for in the Acts of incorporation of the several banks, yet in 1896 the Government of Victoria enacted an amendment to the Companies Act, under which the banks were operating, making an audit compulsory by auditors whose qualifications are set out in the Act. This Act is an emphatic expression of opinion of those most capable of judging of the causes of the disaster; just as the audit of banks, which became universal in Great Britain after the City of Glasgow Bank failure, was an expression of the view of British bankers on the necessity for an external audit. Of course, banks in Great Britain and Australia have their departments for internal inspection, but experience in these countries has shown that an additional protection is essential, just as Canadian experience has demonstrated that fabricated balance sheets will occasionally appear so long as there is no proper supervision of the general management and of the direction. Auditing from the outside has had the same salutary effect in

Great Britain under the branch banking system that government examination has had in the United States, where banks are not permitted to have branches.

It is said that there have been proportionately more failures in the United States, where they have a government inspection, than there have been here. I do not think that statement is in accord with the fact. In 1906 Mr. McLeod called attention to bank failures in Canada which were 25 per cent in number within the preceding 25 years, while in the United States, even an imperfect system of examination had reduced failures to 5 per cent. The article, although generally commended by the public, called forth criticism by some bankers opposed to external examination.

Now, why is it that the bank managers and the banking interests of this country oppose an external examination by the Government? I think that question is pregnant with thought. It is a very important question and one that should be properly answered. My hon. friend the Minister of Finance, if he has not stood up straight has stooped down and arrayed himself along side of them in the matter of opposing an external inspection for the reason that he is not willing that the Government should appoint, apart from the banking interests altogether, an inspector. I certainly think that my hon. friend should answer the question. It may be that he has a satisfactory answer in his mind, but if he has, he should let the House and the country know why they are opposed to it. Surely if the banking interests in this country are being conducted as they should be, and as I think as a rule they are, it would do no harm. There is no question with respect to some of the banks of this country. I look upon the Bank of Montreal as one of the greatest banking institutions that we have, not only in Canada, but in the world, and what is more it has the confidence of the whole people. Reference has been made to the branching out of several of the banking institutions in this country by the establishment of branches here, there and everywhere throughout the several provinces. In eastern Canada it is recognized that many banks have established branches for one purpose, to gather up the earnings of the people, to centralize them at their head offices, either in Montreal or in Toronto, and then to operate with those funds here and there, in New York, or in the West, or wherever they can make the greatest profit in connection with the use of that money. The great object of these banking institutions in establishing branches was to secure those deposits. People were led to believe it on account of the fact that in times of stress, particularly in the autumn and early winter months business men in eastern Canada are, as a rule, unable to secure accommodation which they claim is their due. Many of them are left to slide over poor ground at a time when they need a little snow before their sleigh, and they are unable to get the accommodation necessary to meet the requirements of their business, and this makes it very difficult for them. I pay this compliment to the Bank of Montreal, and to one or two banking institutions in this country, that in so far as eastern Canada is concerned, they do safeguard, protect, and in every way cater to the requirements of their patrons in the matter of business necessities, even at a time when the money could be used to greater advantage in New York or in moving the crops in the West.

I have heard reference made to the fact that a very large rate of interest is charged in that section of Canada. Some banks in eastern Canada, and I have the evidence before me, are charging as high as twelve per cent and they are doing it in spite of the provisions to the contrary in the Bank Act, an ineffectual provision, I admit, a provision which, on its face, would seem to be operative but which in actual practice is impotent. My hon. friend has also said, with respect to this matter of inspection, that it would lessen the sense of responsibility of the directors. Surely my hon. friend is not very logical in that statement. Does it follow that because there might be a government inspector going into a bank occasionally, or at stated intervals, or unexpectedly, the sense of responsibility would be lessened in the mind of any one of the directors? There is one thing certain that the sense of responsibility would not be lessened in the president, cashier, or manager of the bank? It would be emphasized if there were an enforced examination on behalf of the Government and in the interests of the people. It would emphasize their sense of responsibility and they would have been more watchful had there been even a provision for outside inspection in the case of the Ontario bank. Then, the money would not have gone down to New York for stock speculation purposes. Had there been inspection in the case of all the other banks that have come to grief the results would not have been as disastrous as they were. It does not appear to me that there is a lessening of the sense of responsibility by a requirement in the Act enforcing inspection at frequent, or even, infrequent, intervals. Even if it were only once a year it would in itself have a salutary restraint upon the minds and actions of those who are responsible for the management of the bank.

My hon. friend has raised a point as to the difficulty of having an inspection of the branches and I quite appreciate the position which he has taken in that regard. I

realize that it would be impracticable. But, in Scotland, where they have branches, they have such an inspection. I do not know any reason why we should not have an inspection at the head office because difficulties have arisen in connection with head offices. What do these branches amount to as a rule? Take a country branch anywhere throughout Canada and you will find that the manager of the branch has authority to loan but a very small sum without referring the matter to the head office either in Montreal or Toronto. Go and ask a bank manager in any of the towns and cities of the Maritime provinces for a loan of $5,000 and you will have to sign a statement and give the reasons why you want the money. You may be in a position to put down as collateral the best bonds that the country affords and yet the bank manager is compelled by the rules of the institution to submit the matter to the head office in Montreal or Toronto. That is a difficulty that business men feel throughout the country, it is a regulation that is in restraint of the business of the country and oftentimes men, rather than wait, have been compelled to go elsewhere and secure private loans at greater sacrifice than that which they would naturally make in connection with a loan from the bank. Therefore, it goes to prove that the difficulty connected with any bank that has gotten into trouble during the past twenty years has arisen, not because of the improper management of the branches, but by reason of the rottenness which prevails at the head office and which rottenness could have been discovered had there been an external audit. I am sure that my hon. friend and the Government are not taking into consideration the necessities of the country, the protection of creditors, shareholders and depositors, in refusing to grant this point which has been so ably urged by hon. members in this House since the beginning of the debate.

There are some other things that, to my mind, are anomalous. We grant great concessions to these banks in the matter of the issuance of their promises to pay. Their Bills and notes go broadcast throughout the country. To-day there is in circulation throughout Canada $110,000,000 of the notes of chartered banks. How much does the Government get from these institutions as compensation for the right and privilege under this Bill to issue their I. O. U's? After all, they are but the I. O. U's of these banks and it is a privilege which a very grateful and kindly disposed people, through their parliament have granted to these banking institutions. This country should in granting that privilege, require from these banks a return in the way of a percentage for the right at so much per thousand dollars or hundred thousand dollars. We all know of such a regulation in many foreign countries, particularly in Europe, and that there is a very great revenue derived by the Government from the granting of this franchise upon a commission basis on the amount thus issued. It seems to me that the Government should require the payment of a commission for this privilege.

There are two features particularly that I will invite the attention of the minister to and one is with respect to the banks engaging as landlords in violation of the Bank Act. We all know that in the bank statements, practically nothing is set forth as representative of the investments which those banks have made in their buildings, which have been constructed throughout the whole Dominion. We realize that hundreds of thousands of dollars have been thus invested, and that the amount stated in the annual statement which is furnished the Government is but a bagatelle in comparison with the real sum which the banks have invested and expended in these buildings. Take the banking institutions in the city of Ottawa, there is not a bank but has established not merely its central office in this city, but has branches throughout the whole city at every advantageous street corner, and hundreds of thousands of dollars have been spent to that end. As has been stated, the banks generally acquire the very best corner; they make the price so high because they can afford to do it and have the money to buy it; they buy the site; they buy the best site; they locate and construct their banks to the injury of the other business interests of the place. If they do it, why do they not give a statement showing the actual amount thus invested? Banks are advertising day by day their great returns. I think I observed that the Merchants' Bank of Canada heralded it abroad the other day that it had earned last year nineteen per cent; the Bank of Nova Scotia advertised the fact that it had earned twenty-three per cent. Oh, but some say, this is not on the whole amount of money which they have in operation, it is only on their actual capital. What is the reserve but a part of the earnings, and accumulations practically of the earnings of the bank? My hon. friend from West Toronto complained that banks were not making enough, that the Dominion Bank had only made four per cent, if I understood him aright; yet the very next day I took up a Toronto paper which stated that the stock of the Dominion Bank had risen to 240, three points in one day. Poor decrepit institution, poor weak suckling, that required the aid and assistance of this Parliament lest some of those interested in it would go to the poor-house! The very fact, that there is hardly a bank stock in Canada to-day but sells at a premium above 100 per cent of its par

value, demonstrates that the banking institutions of this country have been favourably dealt with by Parliament, by the conditions of the country, and that they should submit themselves now to the restraints which this Parliament in its wisdom should place upon them for the protection of those who have to do business with those banks. I am not so much concerned with the shareholders; they pay 240 or 250 for a bank stock; they know that it is subject to the double liability; they need none of the solicitude of members of this House, because they go right into the trap, if trap it be, with their eyes open. But the depositors, what of them? It does seem to me that it behooves this Parliament, during the progress of this Bill, to incorporate in it a provision whereby protection shall be afforded to the depositors. We did that some few years ago with respect to the noteholders. Why? Yet the Banking Act had been launched without that provision; for years our banking system was in operation and no such protection was afforded the noteholders. That provision has since then been operating, and we have many illustrations of the necessity of protection that should be afforded to the noteholders; but people say the bankers of the United States have been commenting very favourably on the banking system of Canada; the people of the United States, and many of the bankers there have been very flattering in their references to the Canadian system. They may be well deserved, but do you know the reason why? Because there are those who are interested in the banking institutions of the United States, who want to see adopted there a legislation which will accord to the banking systems of that country the privileges which we as a Canadian Parliament grant to the banking institutions of Canada. That is one of the reasons why they comment so favourably. People go on to say: Oh, it has been so good; it has worked so admirably during all these years; you should renew it, and you should not have any of these radical —as they call them—changes as are proposed. I venture to say the proposition to protect the noteholders was considered a radical change. It has not proved to be in any sense radical, but it has proved to be wise and beneficial legislation in the interests of the great masses of the people. I venture the prediction also that, if we were to have a provision in this Bill, and in the Act, when it finally merges into the status of an Act, whereby the depositors, these men who have so many millions placed in the banks receiving only 2½ per cent or three per cent on their deposits, would be safeguarded, I think it is but their right. If the Government of this country were to allow a larger rate of interest on deposits in the Government Savings Bank, there would be a very serious revolution in the matter of the business of the chartered banks in Canada. I make this statement on my own responsibility, that in addition to the legislation and the provisions of the legislation in Canada relating to banks, advantages have been given to these chartered banks in Canada by governments during all the years, in the matter of this allowance for interest, which measure up very largely to the advantages which are given by direct legislation. Why have not the Government of Canada given to the depositors in the Government Savings Banks a larger rate of interest? We have been paying as high as 3½ and 3¾ per cent interest, and on some occasions, I dare say, as high as 4 per cent, on loans that the Dominion has made in Europe; but we have been allowing our own people only 2½ and 3 per cent on the money they deposited in the Government Savings Banks. Why have not we increased the rate of interest? Simply because of the fact that the banking interests of this country were so powerful that the Government hesitated, to say the least, before taking that forward step. If my hon. friend the Minister of Finance were to rise in his place to-night and announce to the country that the Government would increase the rate of interest on deposits in the Government Savings Banks of Canada, he would have the whole Bankers' Association here at daylight to-morrow morning with their protest; they would not send delegates, they would come in a body. It seems to me that a great many of the difficulties in connection with the banking system of Canada might be remedied if the Government would give a larger rate of interest on the money placed in its hands for safe-keeping.

I have said that the chartered banks should pay compensation for the privilege of issuing their bills. On the deposits which the banks make with the Government in connection with their right to issue their bills, the Government allow, as I understand 2½ per cent interest. But on the sums which the banks, in effect, borrow from the people at large through the issue of these bills, the banks get six, seven and eight and even as high as twelve per cent. It is from this source, in part, that they get the money with which they pay their dividends. They should pay something for the privilege they thus enjoy.

I have already touched upon the fact that the banks of Canada are to-day acting as landlords in direct violation of the provisions of the Bank Act. I have here a letter that I received from a gentleman in Charlottetown, which is, in part, as follows:

I have been much interested in reading a report in the Monetary Times, dated 28th December, in re the new Bank Act revision as introduced by the hon. the Minister of

Finance; and as I noticed you had been taking part in the discussion, I am taking the liberty of calling your attention to the objection which can be raised to the matter of banks acting as landlords in connection with the buildings which they are constructing throughout the country. I know of instances where tenants have been solicited before the bank buildings were completed, thus coming into competition with private owners, although, as I claim, it is contrary to the Bank Act. It might work all right in larger cities where ground is limited and tenants many; but in a city like Charlottetown, where the population is stationary and the number of tenants limited, it becomes a hardship upon property owners who have erected buildings in the past for the accommodation of tenants.

In many of these small towns throughout the Maritime provinces, the banks have constructed buildings. These buildings generally contain rooms to be rented. These buildings have the best locations, and the banks that own them can fit them up nicely. In some instances they have depopulated buildings owned by private owners by attracting their tenants into the bank buildings. Now, that is in violation of the Bank Act, as my hon. friend the Minister of Finance knows. But it is being done year in and year out, not merely in one province, but in all the provinces, not merely by one bank, but practically by all the banks. There is one bank which I have in mind which does not, I believe, adopt that policy. That bank believes that the building devoted to its own use should not be occupied by any other tenant, and it does not construct buildings to be rented. But we are told they are building skyscrapers in the city of Toronto. Out of what fund will the Dominion Bank, or the Bank of Hamilton, and others that have been named, build the twenty story buildings that we are told they are to build. And are the banks to be permitted, in violation of the law, to engage in competition with the owners of other buildings constructed in cities? It seems to me that those who are seeking for privileges and franchises through this Parliament should at least come to this Parliament able to declare that they have observed the restrictions placed upon them by the law as it stands.

The complaint is annually made, not merely here in Parliament, but throughout the country, that the shortage of money in certain seasons of the year for business purposes in Canada is due to the fact that our banking institutions go to New York and loan money on call, getting very much larger returns than they can secure by using that money anywhere in Canada.

Mr. LEMIEUX: Surely, they do not do that. That would be sending money outside the Empire.

Mr. EMMERSON: My hon. friend knows that they have no politics, no Imperialism, no Canadianism, that in any way contracts their powers in this matter—that they go to New York, and Minneapolis, and Chicago, and even New Orleans.

Mr. LEMIEUX: Is that possible? I can hardly believe it.

Mr. STANFIELD: It must be pretty bad.

Mr. EMMERSON: I can well believe that my hon. friend opposite is not shocked. Of course, it is quite legitimate, it is quite right, for the banks thus to use their money, under the ægis of the Canadian Parliament, and with the privileges that have been granted to them—it is perfectly right for them to do this, because they are the 'strong man,' the 'big interests.' But no! It would not do for the farmer or the stock man to trade with the cities of the neighbouring republic. But when complaint is made with respect to this action on the part of the banks—as it has been made in this Parliament, and in the press throughout the country—the answer always is: havn't they the right to do it? Why should we restrict them? I do not intend to reply to the preachings and teachings of those who evidently thought it was a crime for our farmers, stonecutters, lumbermen and fishermen to engage in traffic with the United States. The banking institutions of this country were permitted to go into every hole and corner of the provinces of the Dominion gathering up and collecting the funds and savings of the farmers, wage-earners and fishermen, assembling them in the cities of Montreal and Toronto, and sending them down to New York. They have made twelve, fifteen and twenty per cent on call loans, whereas they have paid to those people only two and a half per cent interest on their deposits. The mere recital of these conditions should awaken this Parliament to the necessity of dealing with the matter so rigidly as to make the banking law not merely exclusive in its advantages to the mere few. I do not wish to unduly incite public opinion as against the banks of this country; I believe there is no particular banking institution in Canada at this moment which should be specially watched, and in this statement having regard to the twenty-five or twenty-six chartered banks in Canada to-day, I make no exceptions. But despite the fact that they are not at this moment open to suspicion; despite the fact that they are strong and powerful, and worthy of the confidence of the people of Canada, it behooves this Parliament to place restraints upon the management of these institutions as will protect, safeguard the interests of those who are compelled to do business with them. I affirm in all serious-

ness that we should provide for such a system of inspection as has been suggested in the course of the debate; that we should provide for efficient protection of the interests of the depositors; further if there is thought to be any doubt in the minds of the people as to the necessity of that course, I would say, as suggested by the hon. member for South York (Mr. Maclean), let us pause; let us meditate; let us obtain information; and in order to give us time for that purpose let us delay the passage of this Bill for two or three years, renew the charters of the banks and in the meantime appoint a monetary commission which would take into consideration the conditions prevailing with respect to banks not only in Canada, but in other countries.

I cannot leave this matter without first referring briefly to section 88 of this Bill. In the province of New Brunswick one of the greatest evils in connection with trade matters in the past was the system permitting of what is known as secret bills of sale. Under the original law, any man possessing property could give as security for a loan a secret bill of sale, and thereby protect friends or relatives, and the evils resulting from the use of secret bills of sale became so glaring that a remedy was applied by the New Brunswick Legislature. Under the Bills of Sale Act, if security is given on the strength of bills of sale, notice has to be filed in the county in which the property is situated. Under the provision of section 88, certain privileged persons were permitted to borrow from a bank say $500, giving a note, and, at the same time, give a secret lien to the bank, and then sell to a bona fide purchaser the property in respect to which the secret lien was given. The purchaser, in ignorance of the law, would utilize the property, and the bank, finding that the original creditor could not pay the money, enforced its claim against the then owner of the property. This procedure is as wrong in principle as it is in practice. Banking institutions should be run largely upon the reputation and credit of the individual, and their powers should be limited to taking security on assets which can be placed under the direct control of the bank. It is now proposed to extend this privilege to farmers and stock raisers; or, at any rate, the principle is to be extended to a wider range of individuals, without the necessity of any notice of the lien being given. The principle was bad enough as it was, and I am opposed to its being extended. I go farther, and say it will not inure to the advantage of the farmers of either eastern or western Canada, who will not obtain the benefits claimed for them in the enactment of this provision. The principle of secret liens and encumbrances is altogether wrong, and, when put into effect, will do greater wrong to others than good to the individuals participating in the lien. I would ask, therefore, that, in the Committee stage of this Bill, this particular feature of section 88 be very seriously considered.

Another criticism has been made to the effect that under our present law the banks of the country can merge without the authority of the Government, and it has been suggested that the Treasury Board should first pass upon any such proposed merger, or that the Parliament of Canada should first be consulted. I can quite appreciate the answer my hon. friend made with respect to the necessity under certain circumstances, of going to Parliament before any merger is made. While it might at times result in a hardship if we were to insist upon this, I think it would be better for our banking institutions in Canada to understand that there shall be no merger without the approval of Parliament. The reduction in the number of banks in Canada within the last few years is startling. Only a few years ago the number of chartered banks in Canada was nearly forty, but it has been gradually decreasing, and at the present time there are only twenty-five chartered banks in all Canada. We listened with much interest to the criticisms of the hon. gentleman at my left (Mr. Lemieux) with respect to the Internationale Bank. I am not going to make any special or extended reference to that institution, but I am sure we have heard enough to convince us that any criticism which can be made in a general way with respect to the banks of Canada is specially applicable to the affairs of this particular bank, and to the transactions which have occurred to the discredit of the fair name of Canada and to the injury of Canadians in the foreign market, especially in the French market in respect to industrial and other projects that might tend to the development of our country.

I have taken up more time than I intended but a sense of my duty and an appreciation of my own convictions have constrained me to make these observations.

Mr. W. A. BUCHANAN (Medicine Hat): Mr. Speaker, I wish to say a few words as the representative of a constituency in Western Canada, I have a great deal of admiration for the banking system of Canada and my admiration has increased since going to the West. The banks have kept up with the development of our western country and I think are responsible in a large degree for the advancement that has taken place. In my own constituency there are fifty-five branch banks, which is evidence of the interest which the banks are taking in that new part of Canada. At the same time I am in sympathy with

much that has been said about protecting the interest of depositors in banks and I believe that the matter should be given the most serious consideration of this House. In the West we are mostly borrowers, as has been said in this debate, and I must admit that the depositors are very small in comparison with the borrowers. In any new country we must borrow money if we are to develop and we are developing there all the time and need all the money we can get for that purpose.

Referring to clause 88 in regard to loans to farmers on threshed grain and loans to ranchers on cattle, I am in favor of the provision if it is going to be helpful to the farmers and ranchers of western Canada but I believe it should be extended and I would suggest to the minister of Finance that farmers' live stock should be included as well as threshed grain. We heard in this House this session and last, advocates of mixed farming in Canada. I believe in that wherever it can be practiced but if it is to be encouraged the banks can encourage it more than anybody by lending the farmers money with which to buy live stock and start out in a small way. In my province and district it is important that the farmers should have means of securing a start in raising live stock, but under this clause provision is only made for lending money to a farmer on the security of his threshed grain, grain upon the farm. That should be amended to include live stock. Then we have provision that the bank may lend money to a rancher upon the security of his cattle. We have ranchers in western Canada who deal largely in horses and sheep and they should be assisted in this way as much as the man dealing in cattle alone. These matters should be given attention when the Act is in committee.

Another matter of great concern to the western farmer is the interest to be paid on loans. During the last year or so the question of state loans to farmers has been advocated. That may startle some people in this House and will be considered socialistic. I am not advocating it, but suggesting to the Government that it should be given some consideration. That system has been adopted in most of the Australian states and New Zealand and I understand has been successful. The governments of those states borrow money and lend it out to the farmers on mortgages on their lands and the record, so far as I could make out, shows that the governments of all those states have been making a profit in the operation of this particular system. I believe it is a matter that should be given serious consideration because money is not cheap in the West. I do not say it is cheap in the East, but I can bear out the remarks of the members for Regina and Strathcona that the interest is not confined to the rate stated in the Bank Act but goes over that amount to a very large extent. I do not know whether loans to farmers by the Government will be practicable or not; I have not made a study of it; but it has occurred to me that the Government could increase the rate of interest on loans in the Government Post Office Savings Bank and if they could possibly lend out the money afterwards through that bank to the people of the country as in Australia and in Germany, it would be a very great advantage. I believe this matter will eventually be brought to the attention of the Government by the people in western Canada and some in eastern Canada.

As I have said, we in the West are borrowers of money to a greater extent than we are depositors, but the time will come when we will be depositors to a greater extent than we are now. A great deal of the argument that has taken place during this debate in regard to the protection of the depositors has been based on disasters that have been met with by people through bank failures in recent years. I believe that this is an opportunity for the Parliament of this country to guard against the possibility of such happenings in future. We have been taught lessons in the past, we should learn something from them and do the best we can to safeguard our people in the future. Our banks have a great franchise, their franchises practically cost them nothing, they are given to them by the Government and it is the duty of the Government to safeguard the people who have to do with the banks of this country. I believe myself that Government inspection would be in the best interest of depositors, of the shareholders and of the country generally. From what I have read I believe it is practicable and when the Government gives a bank a charter it puts the stamp of approval more or less on that institution, and in that way the people who deal with the bank are led to believe that they can trust it because they know that it is chartered by the Government and therefore it is the duty of the Government to protect the people who deal with these financial institutions by every means in their power.

I hope that the provisions of clause 88 will be extended so as to cover the live stock of farmers, and in the case of ranchers over other kinds of animals than cattle, because we want to encourage mixed farming in the West, and it can be encouraged in this way as much as in any other. I hope that suggestion will meet with the sympathetic consideration of the committee.

Mr. G. W. KYTE (Richmond, N.S.): The criticism which has been offered to the several features of this Bill amply justify the time that has been taken on its second reading. Any legislation that has for its object the dealing with the financial institutions of this country must be of very wide and far-reaching importance. In the United States, in the city of Washington, during several months past, a committee has been sitting for the purpose of ascertaining the condition of affairs in that country with respect to the so-called money trust and its effect upon the industrial and commercial life of that country. It seems to me that the time is fast aproaching when some such action ought to be taken by this Parliament for the purpose of considering whether or not we are face to face with a similar condition of affairs in this country. I merely mention this for the purpose of emphasizing the references to this important matter which have been made by the hon. member for Westmorland in his very admirable presentation of the case this afternoon.

I speak more particularly of the condition of affairs that exists in the Maritime provinces. Fifteen years ago there existed in the Maritime provinces ten banks which were organized by the industry and enterprise of the business men of those provinces who furnished the capital. I will read them to the House, as hon. members may be interested in knowing in what respect the system of merging banks has affected that portion of Canada during the last few years. Fifteen years ago there were in the Maritime provinces the Halifax Banking Company, the Bank of Nova Scotia, the Royal Bank of Canada, the Union Bank of Halifax, the People's Bank of Halifax, the Commercial Bank of Windsor, the Bank of Yarmouth, the Merchants Bank of Prince Edward Island, the Union Bank of Prince Edward Island, and the Bank of New Brunswick. Since that period the process of merging has been going on to such an extent that of the ten banks which existed fifteen years ago only two remain at the present time. The Halifax Banking Company was absorbed by the Canadian Bank of Commerce, the People's Bank of Halifax by the Bank of Montreal, the Commercial Bank of Windsor by the Union Bank of Halifax, the Union Bank of Halifax after absorbing the Commercial Bank of Windsor, was in turn absorbed by the Royal Bank of Halifax, the Bank of Yarmouth was absorbed by the Bank of Montreal, the Merchants' Bank of Prince Edward Island by the Canadian Bank of Commerce, the Union Bank of Prince Edward Island by the Bank of Nova Scotia, and quite recently the Bank of New Brunswick was absorbed by the Bank of Nova Scotia. So that at the present time, of the ten banks that existed fifteen years ago, two only remain.

and of those two, one of them has removed its head office to the city of Montreal and the other has its general manager in the city of Toronto. So far as the Maritime provinces are concerned, then, it may properly be said that there is not a solitary local institution transacting the banking business of that important section of Canada. What has been the effect of the merging of those banks upon the interests of the general public throughout that portion of the country? I myself had an illustration a short time ago of the effect that a recent merger had upon the interests of the people who do business with a bank situated in the town where I live. Up to about a year ago the rate of discount charged by the Union Bank of Halifax in the town of St. Peters was 7 per cent. That was the rate prescribed by the Bank Act, and in my innocence I thought that no bank in Canada would dare to collect a larger rate of discount. However, a few months after the Royal Bank of Canada took over the Union Bank of Halifax, I was notified by the manager that the rate of discount had been raised to 8 per cent, and since that date 8 per cent has been the rate of interest charged upon loans to customers by the Royal Bank of Canada in the town of St. Peters. The situation there is not quite so unfavourable to the borrower as it is in western Canada, but I am accustomed to hear that there is a very great need for money in western Canada owing to the large development that is going on and to the speculative character of the investments there, so there may be some excuse for the large rate of interest charged by the banks there. That condition of affairs does not exist however, so far as the Maritime provinces are concerned, and more particularly so far as the province of Nova Scotia is concerned. Conditions have been established there for many years, and there is no large or undue investments in industrial enterprises of a speculative character, and there is certainly no large investments going on in real estate which would make the investments by the banks of a precarious character. The well established business that is going on in Nova Scotia, as I have said, has existed for many years, and there is no possible excuse for the banks of Nova Scotia increasing their rates of discount.

But there is another iniquity which exists in regard to the banking operations of Nova Scotia, and that is the variable rate of discount which they charge. If it was a general rate of discount that was charged in all places throughout the Maritime provinces, people might possibly be reconciled to paying it, but it happens that, while in the town in which I live, the Royal Bank of Canada is charging a discount rate of 8

per cent, in the next town the discount rate is 7 per cent, and I understand that in the city of Sydney where there is competition with other banks, the rate is 6 per cent. Hon. gentlemen who took part in this debate have stated that the merging of banks did not have the effect of increasing the rate of interest charged upon loans, but the instances I have given will refute any such contention, because there is no doubt whatever that the increase in the rate of discount in the town in which I live synchronizes, if I may use the word, with the merging of the Union Bank of Halifax with the Royal Bank of Canada. A bank is as necessary in a community today as a grocery store or a doctor, as people are in the habit of transacting their business through the banks, and when banking institutions are brought into existence by virtue of an Act of this Parliament, it is only right that Parliament should insist that they observe the charter under which they are incorporated. If a private individual should be fortunate enough to have more money than he has any use for in his daily business, and if he chooses to lend a portion of that money to a neighbour, he would have a right to charge whatever he thought fit in the circumstances, provided he did not bring himself within the provisions of the Usury Act. He gets no privilege from Parliament; he may or may not lend it just as he pleases. But the banking institutions occupy a different position. They have no right whatever to exercise the powers and privileges that they enjoy except by virtue of the legislation which they have received in this Parliament. Therefore I say that the Parliament of Canada has the right to say that the provisions of the Banking Act with regard to the rate of interest charged should be observed, and if the present law is not enforcible to such a degree as to prevent this usurious rate of discount, then it is the duty of Parliament to make that section of the Act more effective.

But, Mr. Speaker, that is not the only respect in which mergers have affected the business welfare of the comunities in which they do business. It has been stated in this debate that the rate of interest to depositors at the present time is 3 per cent. That has been the rate of interest for some years, and while the banks doing business in Nova Scotia have not reduced that rate of interest absolutely, they have so worked out the calculation of the interest as to make a further reduction of the interest upon deposits in that province. For instance a few years ago, the rate of interest, though only three per cent per annum was calculated by those banks quarterly and compounded, so that in addition to the 3 per cent rate the depositors got the benefit of this compounding of interest every three months. About a year as a consequence of this merger, the bank with which I am most familiar, instead of adding the interest quarterly to depositors, are adding it only twice a year, and the result is that money deposited in that bank at the present time does not earn as much for the depositors as it did a few years ago. Now, that having been done by the banks without any restraint being placed upon them by the charters under which they do business, we have no guarantee that in the future those banks may not make up their minds that compounding the interest upon deposits twice a year should not be continued, and in a very short time the depositors might have to depend upon the rate at simple interest for the deposits that they make. That alone effects a very considerable saving to the banks, taking into account the enormous deposits which are lying in these banks at the present time. It has been contended that these mergers result to the great advantage of the people because they make these larger financial corporations more stable and enable them to advance larger sums of money for the purpose of developing the industries of the country. But it is remarkable that, in order to bring about the mergers of these institutions, it is necessary to sweeten the pill by giving premiums to the shareholders of the banks which are to be merged. There seems to be an unwillingness on the part of the shareholders of the banks to be merged to give up their existence, and in order to overcome that unwillingness on the part of these shareholders they are paid a premium on their shares as an inducement to vote for the merger. I know of one gentleman living in my constituency who was the fortunate holder of a considerable number of shares in the Union Bank of Halifax, and in order to induce him to part with his shares, and vote for the merger between the Union Bank of Halifax and the Royal Bank, he was paid a premium equal to $3,000. That, it appears to me, does away with the suggestion that these mergers come as the result of requests from the merged banks in order that the larger banks may be made more effective and be placed in a position to do more good to the communities in which they are situated.

The system of banking in the United States, is in many respects, preferable to our own system. They have there a system of local banks; the directors are local men living in the community where the bank is doing business. They are interested in everything that contributes to the upbuilding and advancement of the communities in which these banks are estab-

lished. In Canada it is different. There is practically not a single local bank doing business in the maritime provinces. The deposits which are collected by these banks are invested in other parts of Canada, they are sent to western Canada, to the United States, Mexico, and some as far as South America. These deposits are placed by the banks wherever they will earn the largest dividends for the shareholders. The sentiment which prevails in the United States with respect to the local interests cannot be said to prevail in Canada. There are, I repeat, practically no local banks in the maritime provinces. Banks are established there largely for the purpose of collecting money at the lowest rate possible from the people in the communities in which they are doing business and for the purpose of charging the highest possible rate on the loans made to people who desire loans from them. Some distinction seems to have been made by hon. gentlemen who have taken part in this debate between large and small loans made by a bank. Some hon. gentlemen endeavoured to argue that where loans of a large amount were made banks would be justified in loaning these large sums at a very much lower rate of interest than the smaller amounts of money which are asked for. The people who require small loans are the farmers, fishermen, artisans, and working men throughout the country. The need of the small farmer or fisherman for the $50 which he desires to borrow from the bank is just as great, just as pressing, as the necessity of the manufacturer who goes to the bank to borrow $5,000. In view of the fact that these banks are doing business by virtue of an Act of Parliament, a condition of affairs ought to be brought about by legislation on this subject which will give the small borrower, the small farmer, fisherman, labouring man and artisan, the same privileges in borowing money from these institutions as those which are enjoyed by the larger manufacturer or the speculator in real estate in western Canada. In the United States they charge a uniform rate of interest. Wherever a bank is doing business it loans its money at the same rate of interest. That is not the case in Canada. In the United States they pay 4 per cent upon the deposits which are placed in their charge by the customers of the bank and there is no such thing as a combine existing between the banks to keep down the rate of interest on deposits to prevent any bank from accepting any rate of interest on loans that may be agreed upon. I am not aware that they have in the United States any institution similar to the Canadian Bankers' Association. I do not know if such an institution exists, but if such does exist, it does not prejudice the rights and advantages which ought to come and do come in the United States to the small borrower in the community where the local bank is doing business.

When this debate was opened a week ago we received intimations from hon. gentlemen opposite that the debate would be pretty general so far as they were concerned and that they would take considerable part in it. It was further intimated that the criticisms of the hon. gentlemen on the other side of the House were not to be uniformly friendly to the legislation which we are considering at the present moment. For some reason or other the debate on the other side has been abandoned for the last two days. I am sorry to believe that the interests of the common people find no champions except on your left, Mr. Speaker. I remember in the last Parliament that when any question arose which affected the people of Canada generally there were none more anxious to put themselves on the side of the people who are not fortunate enough to be classed amongst the bankers and capitalists of the country than hon. gentlemen opposite. I have here a quotation from the Toronto Telegram which I shall read to the House:

Toronto View of Bank Act.

Do the federal Conservative leaders realize that thirty Conservative members from this province are being led straight to the slaughter-house, not merely by the inadequacy of Hon. W. T. White's proposals, but by the terms in which these proposals were represented as the Government's highest duty and the country's supreme good? A Liberal candidate, with Hon. W. T. White's proposals and Hon. W. T. White's speech, could face a Conservative supporter of these proposals and endorser of that speech in any one of thirty districts in Ontario, and cause the sitting member to be hooted out of every schoolhouse in his own constituency. Major Sam Sharpe was a better friend to R. L. Borden and the Conservative party when he spoke out against the demands of the Bankers' Association than he would have been il he followed the Government even to disaster.

That is pretty plain speaking coming from a newspaper which is uniformly in favour of the present Administration. I could not but be struck with the activity of my beneficent and genial friend the chief whip on the other side of the House in what would appear to be a desire to shorten the debate on this important question.

Mr. STANFIELD: I wish to correct the hon. gentleman if he will allow me. I went around and asked every member on this side whether he wanted to speak or not. I also asked the member for Richmond (Mr. Kyte) how many on his side wanted to speak. There was no mention of stopping the debate, but simply to find out how long it would take.

Mr. KYTE: Whatever interest my hon. friend may have taken, I am free at all events to come to the conclusion that the debate, so far as the other side is concerned, very speedily came to a termination, altogether unexpected.

The conditions existing with respect to banking operations in this country are such as I think should call for the attention of hon. gentlemen in this House. We are on the eve of a situation that is not reassuring, so far as the people of this country, who are not fortunate enough to be in that class represented by the Canadian Bankers' Association, are concerned. In making use of that term, I of course have reference to the capitalists throughout this country generally. They are a very important and a very necessary portion of our population. I recognize without the advantage of money, without the opportunity for borrowing money which these large institutions afford to the people of Canada, that very many enterprises that have been carried on successfully, would not have come into existence, and that the tremendous development which Canada has experienced for the last twenty years, would not have been brought about. We must not forget, however, that there is another element in this country which has some rights, that there are people who look to the Parliament of Canada to see that they get a fair show so far as the finances of his country are concerned. I do not know what determination may be in the mind of my hon. friend the Minister of Finance (Mr. White) with respect to further improving certain features of the Bank Act at present before the House. As I intimated a moment ago, I desire very strongly, and other hon. members have also expressed that desire, that a more effective clause be added to the Bill than the one existing at present, for the purpose of limiting the rate of interest which banks should charge upon loans. I was astonished when I learned that, in the bank of the town where I live, the rate had gone up in violation of that section of the Act; but if the banks doing business in Canada may raise the rate from seven to eight per cent in defiance of the Bank Act, there is no reason why it should not raise the rate from eight to ten per cent, twelve per cent or fifteen per cent. Before this Bill is finally disposed of by this Parliament. I hope that the hon. Minister of Finance will take into account the urgent need of a further safeguard for the people of Canada than appears to have existed since the present Bank Act came into operation.

As regards the deposits which are paid by the banks, I think the time has come when depositors ought to be granted a larger return on the money placed in the banks. It is only within the last ten or twelve years that banks have been making from eighteen to twenty-five per cent. Twenty years ago, when the rate of interest payable to depositors was fixed, the banks were not earning as large dividends as they are at the present time. It is high time that rate ought to be revised, and if the rate of interest paid by incorporated banks to depositors is regulated by the rate which the Government pay on deposits placed in the Government Savings Bank, then I think the Government should take the lead and increase the rate of interest paid to depositors, so that the banks of the country may be forced to follow suit. There is a large amount of money in the maritime provinces owned in small sums by the wage-earner; they do not like to invest money in hazardous enterprises; they are not familiar with investments of a private character, and they regard the Government Savings Bank or the savings branches of the banks of the country as the only absolutely safe places where they can deposit their money. It is taking an unfair advantage of the lack of familiarity on the part of these people with financial operations to compel them to content themselves with the niggardly rate of three per cent per annum, when the banks themselves are earning with their money from eighteen to twenty-five per cent. I do not desire to make any appeal to this House for the purpose merely of making those depositors believe that we have more interest in their welfare than in the welfare of the other interests throughout the Dominion of Canada; but I do say, under all the circumstances which I have detailed, that the time has come when something ought to be done to increase the earning power of deposits in the banks, having regard to the enormous increase in the earning power of money in the hands of capitalists in this country.

At six o'clock, House took recess.

After Recess.

House resumed at eight o'clock.

Mr. J. G. TURRIFF (Assiniboia): In rising to make a few remarks on this Bill, I do so believing that it is the most important measure, so far as the people I represent are concerned, that will come before the House during the present session. The question of the navy is a very important question, and it has received a great deal of attention throughout the country and in this House. But in its effect upon the people that measure does not begin to compare in importance with the Bank Bill which we are now discussing. This measure affects every man, woman and child in the whole Dominion of Canada, because all have to do, more or less, with the banking system and with the interest affected by our banking system.

We have heard a great deal during the present debate of the splendid banking system we have in Canada. I am one of those who do not believe that we have a splendid banking system. It seems to me that any system under which, in the ten or twelve years past, twenty-five per cent of our banks have closed their doors and gone out of business, bringing loss and ruin to hundreds, and thousands, and tens of thousands, of people who trusted them, cannot be a good system. It seems to me it should be the care of the Government, as it seems to me its plain duty, to bring in a measure now that would, as far as possible, improve the banking system, so that in the future we hope to avoid the conditions that we have had during the past ten years. I was in hope that when my hon. friend the Minister of Finance brought down his Banking Bill it would be a Bill in the general interest of the people of Canada. Instead of that what do we find? A Bill that might have been drawn by the Bankers' Association, a Bill altogether in the interest of the bankers, and very little in the interests of the general public. In discussing questions of banking with bank managers, bank directors and bank presidents, I have heard practically the same points advanced that are embodied in this Bill. In the Bill, from beginning to end, so far as I can see, there is practically nothing in favour of the depositors and borrowers, but a good many changes made and every one of them giving the bankers and financiers of this country more than they had before. So, it seems to me that this system that we have all been so proud of is not, perhaps, quite so praiseworthy as it may have appeared to many people. I am glad of the discussion that has taken place during the past two or three days in this House: I am glad that the Bill was not referred to the Banking and Commerce Committee at once. I think the discussion has been along the right lines; it will do something to give the people of Canada an idea of what it is proposed to do under this Bill. It is very pleasant to have a subject to discuss that is practically free—it should be altogether free—from party bias. The matter has been discussed along those lines. Still I think that our friends on the treasury benches must have brought very considerable pressure to bear upon their followers, or we should have had a much fuller discussion from members on the other side than we have had. And I can tell the Minister of Finance that nothing will be done during this session that the people are watching so closely as this Bank Act, and that the Government of which he is such a prominent member will be judged very largely by what they do for the people of Canada on this occasion. We are now legislating for the next ten years, and if we do not take the proper steps now, we shall suffer the disadvantage of that mistake for the coming ten years; because it is not likely we shall have another revision of the Bank Act before that time.

When the hon. the Minister of Finance introduced this Bill some weeks ago, I stated that, in my judgment, banks should not be allowed to merge;—that is, one bank should not be allowed to buy out or sell to another, without coming to this House and getting authority from Parliament, just as they have to get authority before they can go into the banking business. And he, speaking off-hand, and without having had time to consider the matter, gave it as his opinion that that would not be possible or advisable, because it might often happen that an amalgamation ought to take place very quickly and without waiting for six months for Parliament to meet if Parliament happened to be in recess at that time. I do not think that, after giving the question some consideration, the Minister of Finance would use that argument again. Surely there can be nothing in that argument that if two banks wish to merge, or one to sell and the other to buy, they ought not to be called upon to wait even for six months to get authority to do so. Who is going to suffer in the meantime? It very seldom happens, that even at the present time, they form a merger without having discussed it for over six months. So, I think there is no argument why the banks, which are given their existence and their powers by this Parliament, should not come to this Parliament for the necessary legislation if they want to form a merger. One of the greatest dangers before Canada to-day is the tremendous merging of financial interests. We find our great railway systems controlled by three men. We find the manufacturers of the whole Dominion controlled by the Manufacturers' Association. We find the whole of the banking system of Canada controlled by two or three banks—that is by two or three men, and these the very men who control the railroads and manufactures to a large extent. If conditions go on during the next ten years as they have gone on during the past ten years, we shall have the most dangerous monopoly in Canada that exists anywhere in the world. We shall have two or three men controlling the banks and the railroads, and through these controlling the manufacturing industries and every other interest in the Dominion. I have heard hon. members state during this debate that if any danger occurred Parliament was well able to deal with the matter. Why should we wait until the ship is in danger of sinking before applying the remedy? Now is the time for the Minister

of Finance to apply the remedy, and not wait until we get into such a condition as banking matters have reached in the United States. The other day, in Washington, some of the greatest financial men in the United States, the men who control not only millions but hundreds of millions of dollars, stated on their oath before a committee that the country had arrived at the danger point, and that any further amalgamation or merger of financial interests in the United States would be a matter of serious consideration for the whole nation. Why should we wait for such a condition as that to arise before applying the remedy? And I think that one of the remedies that, at least, will do something to bring this about will be for my hon. friend to agree to the amending of this Act so as to provide that banks shall not merge without the consent of Parliament. We have three banks to-day which control practically half the banking capital of Canada. The Minister of Finance would not agree that these banks should merge. But if his successor in office prove a weaker man than he, that successor may allow a merger under the Bill should it become law. Why not amend the Bill as I suggest and leave it to the representatives of the people, the men who represent not only the banks, railways and manufacturers, but the workingmen and farmers, to say when mergers shall take place. No harm would come of it, but I am sure that a great deal of good would result.

Much has been said during the last few days regarding the organization and operation of La Banque Internationale, of Montreal, and press reports state that a proposition has been submitted under which that bank is to be merged with another. A great deal of pressure must have been brought to bear in order to effect the merger between the Home Bank and La Banque Internationale, for the obvious reason that it was not desired that the affairs of that bank should be laid before Parliament, as in the case of the Farmers' Bank. Why should not these banks be compelled to come before Parliament, disclose their affairs before the Banking and Commerce Committee, and submit reasons why they should be allowed to effect this merger? The Finance Minister will find that the people of Canada are overwhelmingly in favour of the fullest publicity in matters of this kind. Some hon. gentlemen on this side of the House have stated that a merger between a weak and a strong bank would be attended with good results generally. While I am unprepared to state definitely that it would not be a good thing, I have very grave doubts as to the nature of the effects which might thereby be produced. I do not look upon the failure of a bank as the worst thing that could happen. In many cases involving the merger of banks, I am of the opinion it would have been more in the interests of the people of Canada if one of the banks had gone out of business rather than, by amalgamation, form a huge combine of capital involving greater loss to the people generally than failure of the bank so absorbed in the merger. Arguments have been advanced to the effect that an institution resulting from a merger is better able to advance loans to merchants, manufacturers and borrowers generally. It is true that a greater amount of capital would be centred in the cities, and a larger sum be available for this purpose. But would the combined capital of two banks be of benefit to a larger number of the people of Canada than the same capital located in separate banks? I think not. I believe there would be fewer individuals served by the merged capital than by the same amount in two separate banks and their branches throughout the Dominion. As has already been stated, the whole banking system of the lower provinces of Canada has been virtually taken away from that portion of the country and centred in the cities of Montreal and Toronto, the banks in the lower provinces being simply used as centres for the gathering of money. This is obtained at a rate of interest of about 2½ per cent—they pay 3 per cent, it is true, but it costs them only 2½ per cent—and is then transferred to the western provinces and loaned at seven, eight, nine, or, as the hon. member for Regina has stated, as high as twelve per cent. A case was brought to my attention the other day regarding a man in the lower provinces who obtained $300 from a bank and deposited as security a bond for $1,000, readily saleable at par value in any market in the world. At the end of three months, notwithstanding the fact that he desired to continue the loan for a while, the bank insisted upon its being paid, and he was obliged to have a note indorsed by a friend in order to close the matter out. Is that an indication that the merging of these banks is helping the people of Canada? The whole of the Banking Act is in favour of the big interests of Canada, and no consideration is given to the ordinary man on the street. I will give the House another illustration. A man in Montreal who could offer as security for a loan, $60,000 worth of first-class gilt-edged bonds, had occasion to borrow $10,000, and he went to a couple of the banks to obtain this amount, but was unable to do so. He told his tale of woe to one of his friends, who was a broker, himself not worth $60,000. The broker undertook to obtain the money for his friend, and he went to a bank and readily obtained the $10,000. And why? Simply

because that broker was able to bring business to the bank which, perhaps, they would not handle themselves, but dealt with through their subsidiary bank—a trust company—and the officers of the bank made a good profit from it. This is one of the results of the merging of banks. In my judgment, it is absolutely against the interests of the community, and if it goes on for another ten years I venture to say the whole country will be up in arms against it.

While I do not agree with some of the suggestions made by the hon. member for South York in his speech on this matter—the idea of nationalizing banks, for instance,—I venture to say that many of the propositions he put forth will meet with the approval of the people of Canada, and will be approved by many more before ten years have passed. Some of his suggestions may be somewhat in advance of the time, but the day will come, and that soon, when the Government will be forced to act more directly in the interests of the people of Canada than they seem to be disposed to do under the terms of this Bill.

I wish to say a word in favour of small banks. It is all very well to have a bank with $15,000,000 or $16,000,000 of paid-up capital and an equal rest account and $100,000,000 of assets, but those banks with that immense capital are not devoting themselves exclusively to banking. Some of the largest banks in Canada to-day are engaged in practically every business carried on in the country and when there is any stringency, any tightness of the market, is it the big banks that come to the rescue of the people and help them out the most? Not at all. Let me give you an instance. In Weyburn we have the smallest chartered bank in Canada. It was chartered by this House two or three years ago. Prior to its incorporation as a chartered bank the same people had been doing business for several years in Weyburn and half a dozen nearby towns as the Weyburn Security Bank. During 1907-8 when there was a money stringency the Weyburn Security Bank did more for the merchants and the farmers around Weyburn and the other towns, some half dozen, in which it had branches, than all the chartered banks that had branches in those towns, and there were half a dozen. Men who had been customers of the chartered banks would go to their banks and could not get a dollar.

Mr. LEMIEUX: What is the capital of the Weyburn Bank?

Mr. TURRIFF: The capital paid up to-day is a little over $350,000 only. Some of the big banks, including the Bank of Commerce, have branches in these towns. As I said, men were not able to get accommodation and some of the customers of these banks went to the Weyburn Security Bank, which then had not as much capital as it has now, and were helped out; that bank did more to help the settlers out in time of need than all the chartered banks put together. It seems to me that is an argument in favour of the smaller bank. Why should not a bank with $1,000,000 capital do a profitable business? There has never been a case where a small bank went down through lack of business or unprofitable business. Every one has gone down through the rascality of the men at its head. It is not because of their small capital, there are as good fields for the small capital as for the large, and they can make as good profits in proportion. Why then should we not encourage the opening up and the working of the smaller banks instead of lending our aid to these big banks to become bigger? The argument has been made here that it is better to amalgamate the weak banks. What do you call weak? A bank with $5,000,000 paid-up capital is only small and weak as compared with the Bank of Montreal or the Bank of Commerce or the Royal. Is it proposed that those banks should be amalgamated because they are weak? Is it proposed that several banks of $5,000,000 with a rest of as much should be allowed to amalgamate in order to make one strong bank like the Montreal or Commerce or the Royal? That is what the legislation we are discussing to-day is going to bring about. We are not through with bank merging, we have only commenced; we are at the beginning of it and I say it should not be in the hands of any one man to say that two or three banks should be allowed to amalgamate. Just before six o'clock the hon. member for Richmond gave us a list of the amalgamations in the lower provinces. Two or three banks that existed there have been merged into one big strong bank. I think the whole matter is wrong, that we are going in the wrong direction, that instead of allowing banks to merge together they should be absolutely stopped and if they are not stopped they should be made to come before Parliament and make it clear to Parliament that the amalgamation is going to be in the interest not only of the banks but of the people as well.

We have been dealing with this question practically along the lines that the whole consideration is due to the banks. I am free to admit that great consideration is due to the banks, to the shareholders who have put up $114,000,000 of paid up capital. There is probably an equal amount put up on rest account. That rest account in some cases—I know of one where the rest account was subscribed by the shareholders and in several of the other banks the rest account has been part-

ly raised through premiums on stock sold, but, generally speaking, the great bulk of the $114,000,000 or over that stands to the credit of the banks as rest account has come out of the people of Canada in profits over and above a good big legitimate dividend that the banks were paying every year. So, while the banks shareholders and banks are entitled to some consideration—and I do not want to be understood as being against the banks, I want to rectify some errors that have crept in—while they are entitled to some consideration, what about the vast army of people who make up the balance of money at the disposal of the banks? We have $1,500,000,000 in our Canadian banks. Who put that money up? The people of Canada, the depositors of Canada have put that money up so that the bank owners, the banks and their shareholders only own a very small portion of the capital that they are using to-day to make their money and while they are earning—although they may not pay it all out now, it goes to their rest account—while they are earning from 15 per cent to 23 per cent, the depositors are earning about 2½ per cent. I speak of the depositors in the savings bank. I am not making any plea for the deposits of men like ourselves, the business men of the country who put money in the bank for convenience, who may have $5,000 in the bank to-day and may withdraw all of it to-morrow. There is $350,000,000 of that money lying to the credit of our people in the banks and the banks pay no interest for that. That is all right, we get paid for that by having our business attended to, by the convenience. When I speak of the depositors I speak of the men who have from $25 to $1,000 which they do not know how or where to invest to advantage and so place it in the savings bank. They are supposed to get three per cent. They do not get three per cent. If a man deposits $100 on the 2nd of the month, he does not get any interest until the first day of the next month and on the average, as a banker told me, it gives little if anything over two and a half per cent on the money deposited in the savings banks. These are the men who are deserving of the care and consideration of this House. We have heard during this debate that the banks are charging all the way from six per cent up to twelve per cent. If they are going to be allowed to charge in that way what about the depositors? It is not very long since I received a notice that owing to the stringency, the scarcity of money, my account would be charged with seven per cent instead of six per cent. Well, that is all right. Where has the stringency come from? Are the bankers paying any more for their money when they charge me seven per cent than when they were charging me six per cent? Not one iota. They are still getting part of the money for nothing, and paying at the very utmost three per cent. That is all that the Bankers' Association allows any individual bank to pay. An individual bank might be willing to pay four per cent, but the Bankers' Association would put that bank out of business if it did that. There is the greatest tyranny in the Bankers' Association. No small bank is allowed to pay what they want to pay. I know a case of a bank wanted to pay more than three per cent and it was not allowed to do so. If it had it would have been put outside of the pale of the Bankers' Association, and you know what that means. If money is scarce as they say, and they charge their customers one or two per cent extra, why should they not pay more to the depositors, the people who have $650,000,000 at three per cent in the banks? I ask my hon. friend the Minister of Finance if he cannot see his way clear to shake off the influence of the bankers to this extent; representing the Government, he should say to the Bankers' Association: ten, fifteen or twenty years ago the Government in power at Ottawa could go to England and borrow money at three and three and a half per cent, and in those days we paid the depositor the same interest as we got the money for abroad; but the time has come now when we cannot go to Britain and borrow the money at three and three and a half per cent, and therefore we are going to do the fair and reasonable thing by the people of Canada, so that in future we shall pay the depositors who put their money in the Government Post Office Savings Banks, four per cent interest on their money instead of four per cent of the money going to Great Britain. Would that not be right Mr. Speaker? What would be the effect? Who would suffer if my hon. friend came out and showed the strength of his right arm and said to the Bankers' Association, big and strong as it is, I am going to pay the depositors in the Government Savings Bank four per cent instead of three per cent? Nobody would suffer. The bankers would still make twelve and fifteen per cent on their invested capital. They might not make twenty per cent to twenty-five per cent, but they would make fifteen per cent at least, and perhaps twenty per cent. Is that not enough when the men who put up the money are only getting three per cent? Is four per cent too much? Why cannot our bankers pay as much as the American bankers? The American bankers do not charge their borrowers any more than our banks, and they pay four per cent to the depositors. So I ask my hon. friend the Minister of Finance to take that suggestion into his consideration, and if he does that, he will be one of the benefactors

of Canada. If he does not, it will appear to me that the Bankers' Association is too strong for the Government. That is what it will look like to me.

I want to say one word about the legal rate of interest, and to bring one particular matter to the attention of the Minister of Finance. At the present time the Bank Act says that no bank shall be allowed to charge more than 7 per cent interest, but bankers pay no more attention to that than if it was not in the Act at all. I ask the Minister of Finance if he cannot remedy that. Let us leave the Yukon out altogether, because living is expensive there. Take our western provinces. The security is just as good there as it is anywhere else. I know of no place on earth where the security is better than the banks get there. I know of no place where the banks suffer fewer losses than they do in their branches throughout the prairie provinces and British Columbia. I ask my hon. friend the Minister of Finance, if he leaves that clause as it is, that the bankers shall not be allowed to charge more than seven per cent, to put in a penalty clause providing that for the first offence of charging more than seven per cent outside of the Yukon a bank shall be fined $1,000, for the second offence $10,000, and for the third offence that those responsible be put five years in the penitentiary. I would point out to my hon. friend that that would only be asking them to obey the law. Why should the bankers not obey the law as well as the rest of us? They do not obey the law. They pay no more attention to the law than if it did not exist. You heard my hon. friend from Regina (Mr. Martin) state that he knew of a case where chartered banks were collecting 12 per cent. Why should my hon. friend the Minister of Finance go on with his Bill now, knowing the facts, without putting in some penalty that would prevent those bankers from taking advantage of those who happen to be in their clutches? Is it not only fair to put in a penalty clause providing for a good fine at all events if we do not want to put in the extreme penalty? I think it would work well and I think the bankers would then respect the law. If my hon friend is not prepared to do that, I would ask him to put in a clause in the Act or to amend the clause that allows them to charge 7 per cent so that they could charge 24 per cent. Then the bankers would at least obey the law, and people would know what they were up against. There are lots of banks that do not charge those extortionate rates, but some do. Why should we pay an average of 7 or 8 or 9 per cent in the West while down here in the East you can get money at 6 per cent? They do not pay our depositors in the West any more than they do here. Why should the depositors get on an average only 2½ per cent while the banks charge 7 or 8 per cent? The law says they should not do so, but they do, and I ask my hon. friend to put in a clause providing that if they break the law in that respect they shall be fined and heavily fined. There is no country on earth that gives its banks what we give them. We give them $114,000,000 that they do not pay one red cent for, year in and year out, except the cost of printing the bills. Outside of that look at the tens of thousands and hundreds of thousands of bills that are destroyed every year all profit to the banks. Those bills cannot be presented for redemption and they get all this money for nothing. If 7 per cent is considered the maximum rate that the banks should charge, my hon. friend should put in a penalty clause or give them a free hand so that they will not be tempted to break the law. That seems to be a reasonable proposition.

Another question that comes up is that with reference to the returns made to the Government. I have not heard the question discussed to any great extent in the House. This is one clause in regard to which I would be inclined to favour the bankers and to make the Act easier than it is at the present time. As I understand it, a bank manager is liable to indictment and imprisonment if he signs a false return to the Government. If the statements that he makes month after month are not correct I understand that he is liable to indictment. I think that is, perhaps, a little unreasonable. A bank manager sitting in Montreal or Toronto has a hundred branches, perhaps, scattered from the Atlantic to the Pacific. He gets returns every month from every one of these branches; men that he does not meet, that he has probably never seen, they send him in certain returns upon which he bases his statement and if these returns are not correct the bank manager who signs the statement is liable to punishment. I think that is hardly fair. It is pretty hard on the bank manager to be made liable to punishment for making the return he is obliged to make when by no possible combination of circumstances can he know of his own personal knowledge whether the account is correct or not. But, there are some returns which the banks make that I am satisfied are absolutely untrue and misleading. I refer to the statement made by some of the banks as to the value of their real estate holdings. For a bank to return its real estate holding at $2,000,000 when, if they were put on the market and sold for purposes outside of banking they would bring from $5,000,000 to $10,000,000, is just as much a crime and just as misleading as if it were to value its real estate at $5,000,000 when it was really worth $2,000,000. Why should these banks not be compelled

to make a true statement of the value of their holdings? Why do they misrepresent the value? They do so for the purpose of hiding their profits. They do not want to show more than seventeen to twenty-four per cent profit whereas, if they put their real estate holdings in at the correct valuation, they would show a return of from twenty-five to thirty per cent profit. They do not want to do that and therefore they send in returns that are not correct. It has been common knowledge all over the country that heavy losses were made by the biggest bank in Canada down in Mexico in connection with a large speculation. It did not affect their profits nor did it affect their returns in any way. Why? They could turn in their real estate at greater valuation and cover up the loss. The public has no more idea of what is going on than nothing at all.

That brings me for a moment to the question of inspection. I see that my hon. friend the Minister of Finance proposes to have what is called an external audit of the head offices of the banks. He laid a good deal of stress on that point when he introduced his Bill. He pointed out that if this had been the practice in the past the Bank of Ontario would not have gone down, or at least that the rotten state it was in would have been discovered years before. I do not agree with him on that point. I think that the inspection that he propsoes will be nothing but a laughable farce. The shareholders are to appoint the auditor. Whom will the shareholders appoint? It will just amount exactly to the same thing in the case of every one of the twenty-four banks in Canada as if you inserted a provision in the Bill that the president of the bank shall nominate the auditors. The directors control the appointment, they must control it and the directors, with the shareholders' proxies in their hands, will appoint that auditor. In the case of the Ontario bank who would the auditor have been had the shareholders appointed him? —a man selected by the president and general manager and he would have selected someone that he could have managed with the result that nothing would have come out in connection with the bank that did not come out. If this audit is going to take place, in my judgment, the Finance Department should appoint the auditor. I am not struck with the idea of an outside audit anyway. I do not think that if, even if the Minister of Finance appointed the auditor it will amount to very much, but it will be something. It will be better than if the shareholders appoint the auditor. I do not think it will mislead anybody but it might have a little tendency to make people feel safer when as a matter of fact it would not amount to very much. But, if we are going to have auditors they should not be appointed by the shareholders and directors but by the Finance Department. It may possibly be of some advantage but I do not think it will amount to much.

There is another way in which the banks set the law aside and this is a matter to which I wish to direct the attention of the House. The law says that banks shall not deal in real estate. In Winnipeg banks are erecting the largest office buildings in the city and they do the biggest business in renting offices. A couple of years ago one of the banks put up a huge building on Portage Avenue—I would say from memory that it would be ten or twelve stories high —and they rented it. It is the highest priced space in the city of Winnipeg renting for $2.65 per square foot. They had no sooner got that building erected than they put up another huge addition, to it. That may be all right. Some argument can be advanced both ways. Some argument can be advanced in favour of it because sometimes a bank has a very valuable corner in a large city and it is an advantage to be able to put up a ten or fifteen story office building above their own apartments and make use of them. It is a legitimate way to earn money. But whose money goes into that building? You may say that it is the money of the shareholders but it is not altogether that because the building is paid for out of the assets of the bank. If a bank only had the money of the shareholders to invest in this way they would not put up these buildings. It is because they have tens of millions of money on deposit, for which they are supposed to be paying 3 per cent but for which they are actually only paying 2 per cent, they put up these buildings to compete against the very men who own the money they are using in putting the buildings up. We see it reported now that the Royal Bank is going to put up a twenty-two story building in the city of Toronto. The Bank Act specifically states it cannot do that. If my hon. friend proposes to allow the banks to continue in that way in the future, I would suggest that he amend that clause and allow them to do anything they like in the way of putting up bank buildings.

We heard a good deal the other day from my hon. friend from North Simcoe about what poor earnings the banks were making; we heard the same thing from my hon. friend the member for West Toronto, who said that no other concerns in the country made such small earnings as the banks did: that their earnings averaged only four per cent on their money; but when he was questioned, he had to acknowledge that the bank with which he is connected had made I think eighteen per cent during the

past year. He also spoke of the much larger rate of interest that was earned by the banks in the Old Country. My hon. friend from North Simcoe gave a list of a few banks in different places where they earned large dividends. He led us to believe, or tried to lead us to believe, that the reason why money did not come from the Old Country to go into our banking system, was because so much more money could be made at home. If the statements made by my hon. friend from North Simcoe are anything like correct, if the British people can put their money into banking and make a great deal more money in Great Britain, which are making from fourteen to thirty-three per cent, why do they take our Government loans at four per cent, why do they send money out here to be invested in bonds on which they get five or six per cent, if they can get so much more at home? It may be that in the Old Country, these banks have become so established, probably with a small capital, and have been going on for the last fifty or a hundred years, that they are making large amounts of money; but no one need try to make the people of this country believe that money can be utilized in the Old Country to make more profit than our banks are making at the present time. I think that this whole question should be gone into, and that the Bank Act should be amended in many respects in the interests of the people.

Another matter, and one that our people in the West take very considerable exception to, is that one hundred millions of dollars of our money are sent down to New York and Chicago by our banks to invest and make money there. That may be all right. The argument is always advanced by the banks themselves, and I have no doubt would be advanced by my hon. friend the Minister of Finance, that it is necessary that they should be allowed to do this, because the money should be in liquid shape, so that at any time they can realize on these call loans. In looking over the bank statements, I find that many of the banks and some of the large banks do not send any of their money down to New York; that only a few of the banks do so, to invest on the call loan market. How do these banks, who do not send any money down there, manage? They seem to manage to invest their money at home, and have it in a liquid shape ready to meet the cheques that are issued by their depositors all over the country. If the smaller banks can do that, why cannot the larger banks do it also? We are many a time in the West suffering from want of money, not able to get money to carry on the legitimate business of the country, and paying seven, eight and nine per cent for that money; yet one hundred million dollars of our money are in the United States, some times out at twenty-four per cent, often at a much lower per cent, very often down as low as two per cent. Why should not that money remain at home?

I wish to deal now with the protection of depositors. My hon. friend from West Middlesex the other night put that case very well and very favourably before the House. What I would suggest is this: We have protected the noteholders; that was an innovation. Now, why not protect the depositors? We give the banks about a hundred and fourteen million dollars of currency for nothing each year. They will make probably five million dollars a year out of that money which they get for nothing. Why could not my hon. friend the Minister of Finance put a clause in the Bill that would say this: that out of that money that the Government allows you to get for nothing, that is the currency, the bills you circulate, and on which you will probably make at least four or five million dollars annually, you will set apart say one-third of that amount each year. Do not give it away to anybody; but set it apart in a fund; give it to the Government, and the Government will pay you three per cent, and as soon as my hon. friend the Minister of Finance decides to change the rate to depositors in the Government savings bank, the Government will give you four per cent, the same as it gives the depositors. Leave it there as a deposit; let it accumulate year after year, and it will grow up into a fund for the protection of depositors, not the merchant depositors, but the depositors who have their money in for a length of time and who are drawing three per cent at present. If these depositors were getting four per cent and knew that there was a growing fund of millions of dollars held by the Government for their protection, it would be a very great advantage, and the banks would reap the advantage also, because there would be more confidence, and more money would come into their coffers. Why should not that be done? Let me point out that in the cases of the Ontario Bank and the Sovereign Bank, two of the worst failures we have had in Canada, the Bankers' Association, representing the chartered banks of the Dominion of Canada, came forward of its own accord and did that very thing, it protected the depositors, with the result that the depositors did not lose anything. Why did the Bankers' Association do that? It was not compelled to do so, but it did so, either because it felt that it was the right thing to do or it knew it would pay to do so; I think likely the latter, because I do not think the consideration of right or wrong would go very far. The Bankers' Association thought it was a good piece of business. If my hon. friend would

say to these bankers: we are giving you a hundred and fourteen millions of dollars for nothing; you will put about two per cent of that money in a fund, which will be deposited with the Government, and on which we will allow you the usual rate of interest; let that account accumulate year after year for the protection of the depositors; and then when any bank in Canada fails, the depositors will be protected to the extent of that account. If every one of the big banks, every bank that is in the Bankers' Association of Canada, was responsible for the wrongdoing of all the banks, you would find that none of the smaller banks would be allowed to go very far wrong before they would be drawn up, not by the Government, not by the Department of Finance, but by the Bankers' Association.

I apologize for speaking at such length. But this is a matter which is of the utmost importance to my constituents. My constituents are not bothering their heads about the navy—

Some hon. MEMBERS: Hear, hear.

Mr. TURRIFF: Yes, they are not bothering their heads about the navy. But, on that subject, what they say is: If we must have a navy, for goodness sake give us the Laurier navy. When people are fifteen hundred or two thousand miles from the ocean, they are much more interested in the banking than in the naval service. This banking matter appeals to them, it catches every one of them by the pocket. And they are taking an interest in it. The Minister of Finance will find, if he puts this Bill through in its present shape—a Bill absolutely in the interest of the bankers with not a line in it, so far as I can see, in the interest of the farmers—that he will hear from the people of this country. I have every reason to hope and to believe—knowing my hon. friend as I do as a man who wants to do what is right, who wants to do what is good for the country—that when this Bill comes before the Banking and Commerce Committee, when his friends behind him will not be gagged, he will hear enough there that will lead him to make many changes in this Bill; and that in the end, we shall have a Banking Act that will be good for the bankers, good for the manufacturers, good for the railways, good for the farmers, good for labouring men, and good for the Dominion of Canada.

Mr. DAVID WARNOCK (Macleod): The Bill now before the House is a very important one, and, representing as I do a rural constituency in a prairie province, a district which is changing from a purely grazing area to a farming country, I wish to deal more particularly with clauses 88 and 91—clause 88 dealing with the rate of interest that may be charged, and 91 proposing to amend the banking law to allow banks to loan money to farmers on their grain and cattle. To the old timers in the West the present rate of interest is, comparatively speaking, not high. I remember when we had to pay as high as twenty-four per cent. But the conditions were different in those days. Under the conditions of to-day, with our farmers compelled to sell in a restricted market, if they are called upon to pay, eight, ten or twelve per cent on money, it becomes a very great hardship indeed. And the interests whose Bill is before us are largely responsible for this restricted market. I think they should make some concession by way of compensation to the farmers of the West for the very great restriction imposed upon them as a result of the verdict of September, 1911. High rates of interest are ruinous. Farmers simply cannot go on borrowing money while selling their grain at present prices —prices that hardly cover the cost of production—and make farming a success. The business interests of the East and of the West are mutually dependent, and, if a wave of depression should start over these prairie provinces, the bankers and capitalistic interests of eastern Canada and the manufacturing industries, will have good reason to regret their action of September, 1911. As to the high rates of interest of eighteen or twenty years ago, I may say that these rates were not paid to banking institutions, as they are to-day; they were paid to private bankers, men who had accumulated fortunes and many of them are now the richest men we have in that country. As a rule, the settlers of the West are not largely interested in the stability of banks from the point of view of depositors; they are much more interested to know how they can get that money from the banks to use in their business. And I can assure you that a great many of our settlers are becoming very much discouraged. I have reason to believe that many will be compelled to leave their homesteads this summer and seek employment in railway construction camps and elsewhere to enable them to accumulate another stake to be able to carry on farming operations. The next five or six years will be a very critical time in the development of our prairier provinces. Many settlers are quite convinced that they must go into mixed farming. But capital is required for this, and it is necessary that we should have money at low rates of interest. I was much impressed by the remarks made by my hon. friend from Strathcona and also my hon. friend from Medicine Hat. Both of these hon. gentlemen drew the attention of the Government to the system of loans and banking in Australia. While visiting the

Old Country, my native country, about a year ago, and travelling in the rural districts, I was very much surprised to find the great attention that was being devoted to the Australian immigration policy. I found hundreds of men who would make excellent settlers, men trained in agricultural pursuits, very seriously thinking of going to Australia in preference to Canada. And should a number of our settlers become discouraged, particularly those from the British Islands, and begin writing letters home to their friends to tell them of the low prices and of the great difficulties under which we are labouring at the present time in western Canada, I am sure you will quickly see the tide of immigration directed towards Australia. It is undoubtedly true that a satisfied settler is the best immigration agent a country can have; and it is equally true that a dissatisfied settler can do more to discourage immigration than a force of trained immigration officials can to promote it. I would press this very strongly upon the Minister of Finance, so that when this Bill comes up in the Committee of the Whole he will be prepared to receive amendments to sections 91 dealing with the rate of interest. The desire of the prairie provinces is for cheaper money. It is absolutely imperative, else we are going to have a setback. I do not know whether the amendment proposed under clause 88 is a very great advantage to the farmer or not. I am not suggesting that it should be withdrawn, but it is very doubtful that it will be of very great service. I believe that the majority of farmers who will be able to borrow money under this amendment are able to borrow under the present law. Bankers will not be very anxious to loan money to farmers even at nine or ten per cent, if those farmers are compelled to sell their produce at the bare cost of production. It cannot be profitable, and I doubt very much if the farmer would benefit by this clause. However, it can be tried. I hope the minister will give heed to the suggestions of the hon. member for Assiniboia, and see that the provisions of clause 91 are strictly carried out.

I do not propose to take up any more of the time of the House, but I trust that before this Bill is passed such amendments will be made as will make it much easier for the farmers to borrow money at a lower rate of interest, thus protecting the interests of our farmers and encouraging the progress and development of the western provinces.

Mr. LEVI THOMSON (Qu'Appelle): It is not my intention to occupy much of the time of the House in my remarks upon this matter, but I may say that we have heard this matter discussed from the standpoint of both the shareholder and the depositor, and the standpoint from which I desire to discuss the matter is that of the borrower. The matter of bank inspection has been discussed at great length in this debate, and the opinions expressed in regard to its effectiveness have been many and varied. I was surprised at some of the objections raised to a system of government inspection We have been told that government inspection would be ineffective because those engaged in the banking business are reasonably honest. I fail to see why that is a good reason. If, as it is stated, the people engaged in banking are generally honest, and for that reason there should be no government inspection of banks, then we might as well do away with our Criminal Code in this country, for the reason that Canadians are generally law abiding, which applies equally to both cases. It is said also that government inspection of banks would be ineffective in that it would tend to create a false sense of security, and that it is impossible, in certain cases, to prevent fraud. If this argument holds good, we might just as well adopt the principal that because any of us can go out in the streets of Ottawa and commit a crime, city police protection should be dispensed with, because it does not prevent crime. If the arguments as against government inspection of banks are based in the statement that the people are honest and that it is impossible to prevent fraud, they equally hold good as reasons why we should do away with our Criminal Code and our police protection. We want to give a sound sense of security, and not a false one, and proper government inspection of banks will create such a condition. I have no doubt the Minister of Finance is quite capable of appointing officers who will make a thorough and efficient inspection. Some hon. gentlemen have stated that government inspection would not be effective for the head offices only would be inspected, but in the next breath they tell us this is where all the trouble arises. I do not agree with the statement that all of the trouble takes place in the head offices. I think that government inspection should be directed in a number of ways and particularly in such manner as to compel the carrying out the law.

I now wish to speak for a moment from the standpoint, as I have said, of the borrower. A good deal has been said in respect to the clause which provides that no more than seven per cent interest shall be recoverable, and it has been said that this clause is entirely ineffective. I affirm that this clause is a dead-letter; I am paying over seven per cent interest myself, and I may say that

I believe there is not a man in my constituency who is at the present moment obtaining the seven per cent rate. I believe that the instructions of the bank managers in the West—I do not now refer to such cities as Regina, as in my constituency there are no large towns—are to the effect that no loans are to be issued at less than 8 per cent. While I cannot prove this, I am convinced that it is true. In regard to the enforcement of this clause, a number of suggestions have been made, but I think none of them are quite to the point, though I believe that legislation could be provided which would prevent the banks from charging more than the law requires. I do not say that this provision should be done away with, as I am of the opinion that it is a fairly good one if strictly enforced. In the form in which it is at present, however, as I have said, it is a dead letter. I do not think any of the notes placed in the hands of my firm for collection bear interest at the rate of 7 per cent. Yet the borrowers pay the stipulated rate, and why? Some of them, perhaps, do not know any better, but even if they did, what else could they do? If a business man were to say to the banker: You are charging more interest than the law allows; I will pay you 7 per cent and no more, what would be the effect? If he is like the hon. member for North Simcoe (Mr. Currie), and does not need to borrow money, he may be all right, but that is the only case in which he would be in a safe position, as it is altogether likely the banks would decline to advance him any further amounts if they were aware of the fact that he had refused to pay the interest demanded. The hon. member for Assiniboia has mentioned the clause in respect to penalties, and has dealt with the extent of its effectiveness. The only way in which this clause can be made effective is by government inspectors or officials. We are told that government officials cannot inspect the branch offices, but the Act could easily provide that the returns which are now made, I think twice a month by the branch offices to the head offices, should contain certain sworn information, among other things all loans made and the rate of interest charged. The inspector could inspect these returns, and if any one were charged more than 7 per cent, a requirement that the bank should refund the excess and pay a penalty to the Government equal to the overcharge would, I think, prevent abuses of this kind. I do not believe that heavy penalties would be necessary. The minister would find that a thoroughly effective way of overcoming the difficulty.

Another phase of this interest question is that there are interest zones in Canada in connection with the banking business. In one zone embracing the country around Toronto and Montreal, probably the greater part of Ontario and Quebec and possibly the maritime provinces, the average rate to the ordinary borrower is six per cent or six and a half per cent. In the West they draw an arbitrary line between Manitoba, and Saskatchewan—Heaven knows why, I do not. In Manitoba they charge seven per cent to good borrowers. In the third zone which takes in Saskatchewan, they charge good borrowers eight per cent at least. There is no fair-play or justice in that. There are no better loans in Canada than there are in Saskatchewan and I do not believe that the banks lose more there than in any other province, and why should they charge a higher rate of interest? Alberta I presume is as badly treated. That is unjust, unfair and injurious not only to the province but to the Dominion; you cannot injure one member of the body without injuring the whole body; you cannot injure Saskatchewan without injuring Canada.

Section 88 has been spoken of. I rather approve of the idea of the amendment. I do not know that any great gain would be made by it yet the minister is to be commended for endeavouring to meet some of the requirements of the public, although he may not succeed at first. Let me suggest that sub-section 3 is defective. I do not know whether it would be well to confine the amendment to sub-section 2 or to extend it also to sub-section 3, but if it is extended to sub-section 3 it should go further, there is no reason why a rancher should receive money on his cattle any more than a farmer. We are told that we should go into mixed farming in the West, but I do not think the mixed farmer should be discouraged—he should rather be encouraged. There are enough difficulties in our way and we do not want any artificial difficulties. The rancher is rapidly becoming a man of the past; the mixed farmer is the man of the present and with him we have to deal. I should suggest that if that clause is left in it should cover live stock generally. I do not see why a cow is a better security than a horse or a hog.

I hope that these suggestions will receive favourable consideration because they are amendments which I think will improve the Act very materially.

Mr. F. F. PARDEE (West Lambton): In so far as section 56 provides for inspection it has not gone nearly far enough. The inspection there provided will be almost a nullity, not entirely, but at least it will lie primarily with the head offices of the banks. Those of us who have had anything to do with banks know that the appointment of shareholders' auditors will lie largely with those who attend the an-

nual meeting of the bank, and in eighty per cent of the well managed banks or companies, as most of ours in Canada are, a very small percentage of shareholders attend the meetings. The usual mode of procedure is that prior to the annual meeting the managers and directors see to it that they have sufficient proxies in their hands to enable them to arrange things as they desire. To that I have no objection, although in this case, if the Act intends to protect the shareholders—which I take to be its object—that method is not sufficient. The law of Scotland is that shareholders may at any time make an application to the government to appoint an auditor to look after the affairs of the bank and I see no reason why, if the shareholders at the annual meeting do not appoint an auditor, they should not at any subsequent time have a right to apply to the Government to appoint an auditor to make such an audit as the shareholders think he should make. Along that line of argument I just want to ask the Minister of Finance for information. Perhaps I am wrong, but it appears to me, as I have always understood it, that there is the greatest difference between an audit and an inspection. Auditors come in and simply check up. They see that matters balance, and if they do, then their duties as auditors are done. They do not go into the actual workings of the institution to see whether or not the securities held or the securities given to that bank are sufficient to cover the advances that have been made upon those securities. It appears to me that what the shareholders ought to have is not an audit but an inspection of the assets which the bank holds, to see whether or not, the shareholders, and consequently the depositors, are sufficiently protected in respect to the moneys they have in that bank. It may be that in drawing that distinction I am wrong, but it has always appeared to me that there is the difference I have pointed out between an auditor and an inspector. I make that statement now because perhaps it ought to be drawn to the attention of the Government before the Bill goes to the Committee on Banking and Commerce. I do think that so far as the provisions in this Bill for an audit go, they are insufficient; I think there should be some provision, not only for audit but for actual inspection. The Prime Minister said the other night, when dealing with the Bill that the provision was for an independent competent auditor. I think these were his words, but it does not appear to me that an independent competent auditor is always appointed by the bank officials. After all, he has to audit the figures of the officials who appoint him. Therefore, I do not think that under the Bill there is provision for an independent auditor. I do not desire to give the impression that because an auditor is appointed by bank officials he is not to be regarded as an honest auditor. Far be it from me to say that. I merely say that if the Act is going to provide sufficient safeguards for the protection of shareholders they should be of such a nature that shareholders would not be able to come back and say: if we had had the right to do this we would have appointed a man who would have looked after our interests. So much for section 56.

Let me go to section 60. That section says:

> The banks shall hold in Dominion notes not less than forty per cent of the cash reserves——

And then the amendment, as I take it, adds:

> —which it had in Canada.

Now I should like to ask why a bank should be compelled to hold not less than forty per cent of cash reserves in Canada only; why should it not apply as well to the cash held outside of Canada? It has always appeared to me that branch banks in many of the smaller towns in Canada are established there not so much to do an actual banking business as for the purpose of receiving deposits, in order that these might be sent to the head offices of the banks and invested not in Canada but outside of Canada. There is no question that in 1907 the stringency in the United States was very much greater than it was in Canada, and I think the Minister of Finance will agree with me when I say that a very large percentage, comparatively speaking, of the money of the Dominion of Canada was in the United States taking care of the stringency there, instead of taking care of the stringency in the Dominion. Why? Simply for the reason that the banks can get through their customers there a very much higher rate of interest than they can get in the Dominion; consequently, following out the law of human nature to make the most you can where you can, the banks sent the money to the United States, in order that their profits might be greater. Now when you consider the fact that the depositors in the Dominion of Canada have about one billion dollars of deposits, and that the shareholders have about one hundred million dollars on deposit; when you consider the tremendous discrepancy, as has been pointed out, that the large bulk of the funds of the chartered banks of Canada come from the depositors, without a cent of interest being paid on it, because it is on current loans, while the balance of it is on a basis of three per cent or as has been pointed out, not actually three per cent, it appears to me that as the banks receive their license to do busi-

ness from the Parliament of Canada, and receive to a very great extent the funds with which to carry on their business from the people of Canada, it would be only equitable and fair for Parliament to say to them when renewing their licenses, you shall to as great an extent as possible protect your own people in your own country. I throw this out as a suggestion, that perhaps if they were compelled to pay five per cent on their foreign investments we might have more money left in Canada instead of having it go to the United States. Certainly I say that when we go to a bank and offer fair security and say here it is in liquid form, the bank has no right to say, we have no money to lend. To get down to the last analysis, when the banks are not lending, it is because a large proportion of their money is carrying short date accounts and short date paper in the United States. That does not seem to me an equitable basis on which the banks should work.

Then we come to section 88. I am not going to say, because I think it would be going a long way, that the merchant or the manufacturer each time he gets a loan from the bank should be compelled to register the nature of the loan as a chattel mortgage is registered. Perhaps that would lead to such an upsetting of business that it would be very detrimental to the commercial interests of the community. But I do not think that by reason of section 88 the bank ought to be allowed to step in and defeat the claims of the wage-earners in any way whatever, even although their lien may stand as it does in section 88. That does not seem to me a fit and proper thing to do, because it is through the wage-earners that the bank must eventually be paid, or at least it is through them that it holds the security for the advance; and consequently the producers of that security ought to be entitled to the first lien on the assets of that bank if insolvency should take place. As to subsection 3 of section 88:

> The bank may lend money to a rancher upon the security of his cattle.

I have no doubt that the interpretation clause will say what a rancher is, but I ask the minister why should a rancher be preferred instead of a farmer with 100 head of cattle in the province of Ontario? He is not a ranchman in the strict sense of the term but that man certainly, on his cattle, horses, hogs or sheep, from which, we know, springs the prosperity of the province of Ontario through mixed farming operation, ought to have as much right to receive a loan under section 88 as the ranchman. I cannot see how you can differentiate or how it would possibly be fair to do so. It appears to me, therefore, that when you come to put your interpretation clause into this Act you must define a ranchman as being a man having cattle and carrying on a cattle business. That would only be fair. He need not be absolutely in the cattle business because a man who is a cattle man must necessarily grow grain and carry on the ordinary operations of the farmer. I think that point ought to be very seriously considered by the minister when he looks over the Bill again.

Then, Sir, the question of the protection of deposits comes in. I was very much surprised at the Banking and Commerce Committee the other morning to learn that one of the members of the committee had gone so far as to say that a loan company ought not to be allowed to take deposits because the depositors were not secured. If any one will for a moment put forth the claim that the depositors in a loan company are not better secured than the depositors in a bank, I should be most willing to listen but it would take me a long time to be convinced that the depositors in a loan company are not absolutely secured for every dollar that they have there by the mortgages in the company's vaults. But it may be said perhaps that these are not liquid assets. I want to ask the Minister of Finance, as a man who has had large experience along these lines, if he wants any more liquid assets than first mortgages on real estate and municipal debentures. If there is money in the country at any time you can get it on these just as easily as on any other kind of security that I know of. It does not appear to me therefore, that the claim is absolutely preposterous. It might very well be applied to banks because, if the loan company depositors are to be more secure than they are at the present time, then surely the argument applies with a thousand times greater force to depositors in banks.

Mr. WHITE: Surely my hon. friend did not understand anything of the kind?

Mr. PARDEE: No, it was not the Minister of Finance. I certainly would not accuse him of any such thing. It was the hon. member for Brandon. I know that the Minister of Finance would not put forward such a claim and I would not impute it to him. But, I was only mentioning it to fortify this argument, that if any one for a moment would think that depositors with loan companies were not sufficiently protected, the argument applies a thousandfold to depositors in banks. So, it does appear to me, that with the amount of money that the banks have on deposit, it would be only fair that a percentage of the earnings of the bank should be ear-marked in the interest of the depositors. In the Banking and Commerce Committee yesterday morning a certain trust company made application, as the minister knows, that deposits might be taken, that deposits

might be invested, that these investments should be ear-marked in the interest of the depositors and that in the event of the insolvency of the company these deposits should be a first lien on the assets. Surely, if that application is to be granted, as it undoubtedly will be, to this trust company, to ear-mark these securities in order that these depositors should be protected and that, in the event of insolvency, the depositors shall have a first lien upon these securities, it would appear that banks, with the millions of dollars they have on hand, might very well be compelled to take a certain percentage of their rest account and invest it in such securities as should be ear-marked for the benefit of depositors. The bank should be compelled to lay so much aside annually as a trust fund for the protection of depositors and in the event of the insolvency of the bank the depositors should have a first lien upon these securities. Few banks will be prejudiced in the slightest by any such arrangement. It will not matter one tittle to the larger banks. It will only affect those banks which may not be in as good a financial state as they ought to be in or those which, with the utmost vigilance on the part of the Finance Department at the outset, have not been started on a proper basis. It is only reasonable to ask that the depositors in such institutions as these should be secured. If the Bankers' Association is what the Bankers' Association pretends to be, the larger banks ought to be compelled to see, in so far as the weaker ones are concerned, that the credit of the whole of the banking institutions of Canada is protected in such a way that the depositors shall suffer no loss. These banks ought, according to their capital and reserves, be compelled to contribute pro rata to such a reserve fund as will be necessary to protect depositors from loss.

These suggestions are thrown out not in any spirit of hostility to the Bank Act. I recognize the part that banks have played, and that it is necessary for them to play, in the development of Canada. But it appears to me, now the matter has been again opened up for discussion, that we should act upon the lines that have been suggested in the various remarks that have been made by members of this House and that we should try, in so far as human ingenuity can assist us, to put the Bank Act in such a position as that depositors, shareholders and the community in general, shall feel safe under that Act.

Mr. W. M. GERMAN (Welland): Mr. Speaker, I shall certainly not occupy the time of the House at any great length after the exhaustive discussion of the Bank Act which we have had in expressing my views upon this important measure.

But, as I am not on the Banking and Commerce Committee, I would like, before this Bill goes to the committee, to suggest two or three changes that I think should be made in it. I think that the discussion will lead to great improvement even if all the suggestions which have been thrown out by hon. members are not adopted at this renewal of the bank charters. Hon. gentlemen must know that this Act respecting banks and banking savours somewhat of antiquitia. The first Act was passed in 1871, very largely the Act which we have now. At that time it was declared that there should be a renewal of the bank charters every ten years because it was known that banks holding charters under the Dominion Government and doing business as they were doing it under those charters were institutions which should be regulated from time to time by Parliament. Views such as that were thrown out at that time by the members who then had the honour of representing Canada in Parliament. It was to regulate banks that there were ten-year periods fixed for the renewal of the bank charters. At every renewal of a bank charter, anything which savours of injustice to the general public should be done away with, and such amendments made as might add to the general welfare of the country. The time has come when there is to be another renewal, a decennial renewal of bank charters, and it is not only the privilege but is the duty of Parliament to see to it that any injustice, that has been done in the past, and anything in the Act, which at this time works an injustice to the public generally, should be wiped off the statute-books and such changes made as might be necessary. Hon. gentlemen must remember that changes have been made in the law of Canada, the law of Ontario at any rate, which directly conflicts with the Act respecting banks and banking. My hon. friend who as just taken his seat and the hon. member for Wellington the other night suggested one instance in which the law of the province of Ontario conflicted with the Bank Act in regard to the priority which was given to the bank as against wage-earners. I find by what has been said by the Prime Minister and the Minister of Finance that that phase of the Bill will be rectified, and that wage-earners will have their priority under the Wage-Earners' Act in the province of Ontario as against this particular Act in favour of the bankers. I wish to go further along that line, and to point out some discrepancies in this Act wherein it varies entirely from the law of the province of Ontario and the law which exists in several other provinces.

A good deal has been said about the question of inspection. I do not intend to elaborate that more than to say that, if

we are to have an inspection at all, we should have effective inspection. The inspection which has been suggested by this Bill, I will venture to say, in the mind of any man in Canada, will amount to practically no inspection at all. That is the feeling which is abroad in Canada, that we might as well leave the Act as it stands as to pass this clause regarding inspection.

In regard to the question of protecting the depositors, I can see no reason why the banks of Canada should not in some way protect the depositors in the savings banks. That has been elaborated to a very great extent, and I will not occupy the time of the House in elaborating it further.

I shall now take up the section which provides that the bank shall not lend money on the security of stock. It has been said that the banks in many cases have been violating the law in regard to interest, and in regard to holding of real estate. I do not wish to say that they are deliberately violating the law in regard to lending money on the security of their own stock, but this Act practically allows them to do so, because it gives them a lien on the stock and a prior lien to any other creditor. To a man, who holds stock to the extent say of ten thousand dollars, they could lend ten thousand dollars on his own personal security, he having that stock. If he sold that stock to anybody and handed over the certificate, and the purchaser, an innocent purchaser for value, went to the bank to have the transfer made, the bank could say: you cannot get that transfer made, and that stock certificate will be of no benefit to you until you pay the amount of money that man owes the bank. I submit that that is a very, very grave injustice. I do not know that that clause in the Act has in the past worked an injustice to any person; but, as has been said by the hon. member for Qu'Appelle, we do not enact a criminal code and say that that prevents all wrong-doing, we believe that the people are reasonably law-abiding citizens; but in order to prevent if possible wrong-doing, we enact the Criminal Code. I do not know that this particular clause has worked an absolute injury, but it might do so. There is this other phase of the situation, which not only can work an absolute injury, but which has done so, and that is the priority which a bank has on its own stock as against other creditors of that stockholder. Supposing a stockholder becomes insolvent or has an execution issued against him, and a sheriff seizes his stock certificate, he cannot sell it and make a transfer of it until the bank is paid, because the bank has an absolute prior claim as against all creditors. The law of the province of Ontario has for years past done away with priority among creditors. The Creditors' Relief Act in the province of Ontario was passed many years ago, so that when a sheriff makes a seizure and disposes of the debtor's goods, he has to hold the money for thirty days so that all creditors can come in with their certificates, their judgments if they have any, or their affidavits, showing that they have a claim, and that money will be divided rateably among all the creditors of the insolvent debtor. Not so, however, with the bank, the bank can come in, and if the debtor's only asset is a bank certificate for ten thousand dollars of the capital of any one of our chartered banks, and he owes the bank ten thousand dollars, the bank takes it all and the other creditors do not get a penny. I submit that is not in accordance with the law of the province of Ontario, and that is one of the things, in renewing the bank charters, that should be done away with. This Act should be made to conform with the laws of the various provinces of the Dominion, and priority among creditors should be done away with in regard to the banks as it is with regard to any other class of creditor in this country. To my mind there is no reason why a bank should have any priority in regard to an insolvent debtor. When this Bill comes before the Banking and Commerce Committee, I hope that my hon. friend the Minister of Finance will see to it that that section is amended. If the Banking and Commerce Committee does not amend that section when it comes before them, I will tell the hon. minister now that I will take the privilege, which I will have when this Bill comes before the Committee of the Whole House, as it will have to come later on, to divide the House on that question, and endeavour to put the banks exactly in the same position as any other creditors of an insolvent debtor. In regard to section 88 and sub-sections two and three, this Act prevents banks from lending money on chattel mortgages. I presume the reason, why a bank is not obliged to register or file with the clerk of the county court the form of written security, form 'C' in the schedules to the Act, is that it would savour somewhat of allowing them to deal in chattel mortgages. But they have to take from the debtor a written document executed by him in the form set out in the schedule of this Act. I submit that that document should be filed. It is practically a chattel mortgage. It is not in the form of a chattel mortgage, but that is what it amounts to. It allows the bank to lend money on grain, not only on grain in the Northwest but on grain in any part of Canada, it says:

The banker may lend money to a farmer upon the security of his grain (of any kind) grown upon the farm.

Now, if the bank takes this written document from a farmer as security for the money advanced on his threshed grain in his barns, I submit that that document should be filed with the clerk of the county court of the county in which that grain is located, so that other people generally from whom this man might also wish to borrow money on the security of his grain may know that the bank has this prior lien. Why does it appear to be necessary that everything that is done by the banks should be covered with secrecy? There is no reason that I can see why a bank's business in a matter of this kind should not be made as public as the business of any other concern or individual. The bank may also lend money to a rancher. My hon. friend who last spoke, apparently, did not notice the interpretation clauses of this Act. The interpretation section says nothing about what a rancher is. It says what cattle shall mean:

'Cattle' means bulls, cows, oxen, steers, bullocks, heifers and calves.

But it does not define 'rancher.' We all know what 'cattle' means, but 'rancher' may mean any man who deals in cattle. Must he have a hundred head of cattle, must he have a thousand, must he have ten thousand head in order to be counted a rancher under this Act? Or is he not a 'rancher' if he has cattle in the fertile fields of the province of Ontario. At any rate the 'rancher' whatever he may be or however many cattle he may have, can borrow money from a bank and execute a prescribed document to the bank under this Act, but this need not be filed with the clerk of the county court of the county in which the cattle are when the document is executed. I submit to the Minister of Finance that such a document should be filed. The effect of this clause will be to allow the bank to deal in chattel mortgages, and when they are given that privilege they should be put in the same category as others who deal in the same security. The next question is the question of the interest. It is said that the banks deliberately and continually violate this law. If they do, the law should be changed so that the violation may no longer take place. The wording of this section 91 is very peculiar:

The bank may stipulate for, take, reserve or accept any rate of interest or discount, not exceeding seven per cent per annum, and may receive and take in advance any such rate, but no higher rate of interest shall be recoverable by the bank.

But the people in the West, apparently, pay a higher rate than seven per cent. I think the section should be amended by striking out the words 'may stipulate for' and others so as to make it read:

The bank shall not in any case, take, receive or exact any rate of interest or discount exceeding seven per cent.

The section as it reads now does not state in words that they shall not take a higher rate than seven per cent, and I think the words should be made clear and specific. I will not go quite so far as one of my hon. friends from the West who said that he would put them in prison for violation of this section; but there should be some deterring element in this Act, it seems to me, to prevent the bank from violating that section of the law, and I hope the Banking and Commerce Committee will amend that section; otherwise, we shall probably have to amend it when it comes back to Committee of the Whole.

I believe that this discussion has done great good. Though the people of the country may not get at this renewal of the bank charters all that they want at the present time, I am quite certain that we shall get something that will help to remove some of the incongruities of this Act and some of the things which are not for the best interest of the public. I believe also that when another ten years roll round and it becomes the duty of Parliament to again renew the charters of the banks, probably the broader and larger questions which have been discussed by the hon. member for South York, the hon. member for Westmorland, and the hon. member for West Middlesex, will then come up, and probably the people of the country will then derive some of the larger benefits which these hon. gentlemen have been talking about.

Mr. LALOR: Does the hon. member for Welland understand that when a customer goes into a bank to borrow $10,000 if he holds a stock certificate of the bank for the amount, the bank can take that certificate, even if it has not been signed and deposited with the bank, as collateral security for the loan?

Mr. GERMAN: Certainly not, and further, the holder cannot deposit that security with the bank as security for the loan. The bank is strictly prohibited from taking that certificate as collateral security for such a loan. And there is the danger of the thing. If the bank were allowed to take that certificate as collateral security and hold it in the bank, the certificate could not be hawked throughout the country and sold to an innocent purchaser. In the fact that the bank is prohibited from taking that certificate as security lies the danger. The borrower in such a case could go out and sell his certificate, let us say, to my hon. friend from Haldimand, at par, or fifty

per cent or a hundred per cent above, but when my hon. friend went to the bank with the certificate, the bank would say, 'Oh, yes, Mr. Lalor, but that man owes us $10,000, and before we will transfer that to you, you must pay us the $10,000.' The law prohibits the bank from lending money on its own stock, but by reason of the secret lien which the bank holds under this Act, they lend practically on the security of their own stock, and this, I say, should be changed and changed now. There are matters of great importance which cannot be reached at the present time, but these are smaller matters which affect very seriously the public interest, and will not in any way injure the banks or their chances of making money, but will protect the people of the country and the creditors of an insolvent debtor.

Mr. MICHAEL CLARK (Red Deer): I desire to impose upon the House only a few words in regard to this matter, as I understand the discussion upon the second reading of this Bill is about to come to an end. I am the more anxious to be brief and to facilitate the passage of this Bill in that my hon. friend the Minister of Finance has not so far been very fortunate in the propagation of his legislative species. Last year his chief effort was in vain. Many different opinions have been expressed as to who was to blame for that, but I have a very clear opinion in my own mind that the hon. Minister was the chief culprit. The Senate has been blamed for the fate of the Tariff Commission Bill, but I have always thought that my hon. friend was so proud of the original characteristics of his first-born that he would not have it interfered with in any way, and was clearly guilty of the horrible act of infanticide. I am personally anxious, therefore, that this Bill should have its second reading and pass into law in as good shape as possible, so that the offspring may be a real credit to my hon. friend for all time. I am almost certain that his effort will not on this occasion meet with any decided opposition on the part of the Senate, and that he will not meet with very great hostility in that quarter of the legislative universe.

The course of this discussion has been such as to call for comment on the part of anyone who has had regard to the usual course of legislative procedure and debate. This is one of the very important measures of the session, and it is the second-reading stage of that measure—that in which the debate is usually expansive and prolonged. There was every evidence that this would be the case, and that on both sides of the House there would be a wide-spread discussion of the Bank Act. The hon. member for Welland (Mr. German), who has just resumed his seat, was the thirteenth successive speaker on this side of the House, while we have witnessed the remarkable spectacle of an epidemic of absolute dumbness on the government benches. This, is to say the least, an extraordinary phenomenon indeed. It is the more extraordinary because the period of dumbness was preceded by an exceedingly able, active and forcible speech—I refer of course, to the activities of the hon. member for North Ontario (Mr. Sharpe). My hon. friend the Minister of Finance was last year in grave danger, when cutting his ministerial and legislative teeth, of getting angry when the hon. member for Edmonton suggested—or perhaps a little more than suggested, as suggestions are not in the line of the hon. member for Edmonton—that the Finance Minister came into this House in somewhat close association with the moneyed interests of Canada. If there were anything calculated to lend strength to that consideration, it would be the knowledge going abroad that the Minister or the Government had done anything to supress free discussion on the other side of the House on the occasion of the second reading of any measure. I throw out that suggestion, too late to be of any use, as we are approaching the end of the debate, but I throw it out as being worthy of the consideration of the Minister on future occasions. I was inclined to congratulate myself honestly, and to congratulate Canada, that there had come a day when there was to be afforded evidence that in the rank and file of one of the great parties in this country there was evolving a spirit of independent thought which would do credit to the country, and shut the mouths of the critics of Parliament who say that both sides are really the servants of interests outside the House. But these congratulations are not now in order. My hon. friend the member for Westmorland (Mr. Emmerson) made one of the speeches of his career—not in length, as he was not to-day engaged in one of his Marathon performances—but, in the ability with which he marshalled his facts, and in the very great importance of the matter which he brought before the House, he made a speech which was deserving of an answer from the benches opposite. He told us of the few hands, into which monetary power is drifting in this country, but the minds of hon. gentlemen opposite were an unbroken blank—no ideas; no speeches; only, as I have said, an epidemic of dumbness. It is well at this stage to call attention to this fact, and I am perfectly sure the people of the country will note it, and draw their conclusions.

With regard to the Bill itself, I am no authority on banking. I am, as my hon.

friend the Minister of Finance hinted the other day, somewhat old-fashioned. I follow Cobden and Bright in economics, but much older men than Cobden and Bright in regard to banking. I am afraid I will earn the additional contempt of my hon. friend when I tell him where I learned what I know about banking. I was, early in life, in the habit of paying a great deal of attention to Shakespeare and Solomon on these subjects. Shakespeare says: 'Neither a borrower nor a lender be'—and I trust my hon. friend will not criticise me to much, for Shakespeare was a good man in his day. Solomon said: 'The borrower is servant or slave to him that lendeth.' I have tried to be as close a follower as I could in my path through life, of these ancient but respectable fathers of instruction. My hon. friend has, I know, great contempt for the fathers. That is the way with youth; one rarely meets a youth who does not, in his own estimation, know more than his father. If I, with these primitive views, were to say anything upon this Bill I would say I find myself in very general agreement with the position taken by my right hon. friend the Prime Minister. He said in effect, I think, that it was perfectly obvious that bankers must, to a large extent, do their own business except in so far as it is the duty of Parliament and the Government to look after the interests of the public in the way of preventing frauds, as far as they can be prevented by legislation, and to ensure the carrying into effect in every way of the provisions of the Bank Act. With these general positions I do not differ. I think it is a very wise modification to say 'to prevent frauds as far as they can be prevented by legislation,' for, after all, the power of governments and legislatures is a limited power. The Prime Minister was more absolute when he said we ought to ensure the carrying into effect in every way of the provisions of the Bank Act. That is very definite language, and I feel very strongly that it ought to guide the minister and the committee in handling every portion of this Bill. Surely there is in that general principle laid down in such concise and unmistakable language some guidance as to what we ought to do with section ninety-one. I shall read the section.

> The bank may stipulate for, take, reserve or exact any rate of interest or discount, not exceeding seven per cent per annum, and may receive and take in advance any such rate, but no higher rate of interest shall be recoverable by the bank.

That is the law laid down in language of unmistakable meaning. But what are the facts? We have heard them stated as they apply in various parts of the country. In my own province I do not know of anyone who borrows money at as low a rate as seven per cent. There may be big men in Calgary and Edmonton who borrow in large amounts who can make better terms, but as to the farmers, amongst whom I live, they pay invariably eight per cent. I submit to you and to this House and to the Government that that is a very serious state of affairs indeed. We pass an Act, we shall pass this Act through its three stages and committee, the Senate shall do the same; we shall follow you, preceded by the mace, to see the Royal consent given to that Act which contains the provision that they shall not recover more than seven per cent—and in our country they never think of taking anything so little. That is something which surely should be remedied. Surely this House and the Government should pledge itself here and now that they will remedy that. Either they should make it compulsory that they shall comply and the language he carried out, as the Prime Minister said, that we shall carry into effect that provision of the Bank Act, or, for goodness sake, strike the clause out and let the banks do what they like. There is only one possible course open to us if we are to retain our self-respect as legislators and if it is not going forth to the country that the minister and the Government are the absolute bounden slaves of interest outside of this House and Parliament altogether—which I should be the last man and the most sorry to think. There is a proposed amendment, as I understand, to section 88, which, I am afraid, partakes somewhat of this nature. I understand that the second and third sub-clauses in italics are proposed amendments to the Act as it was. They read:

> 2. The bank may lend money to a farmer upon the security of his threshed grain (of any kind) grown upon his farm.
> 3. The bank may lend money to a rancher upon the security of his cattle.

This does not rank in the same class with the clause on which I have commented, but I do not attach much importance to those clauses being put in and I think it is somewhat unnecessary to put them in. May not the banks do that now if, as the minister said, they lend largely on the character of the borrower, may they not lend to any man that they think is good enough to lend to?

Mr. GERMAN: That is the security.

Mr. CLARK. If they take the security on the credit of the man himself, that is without grain or anything else—and I am not so sure that bankers, in dealing with men do not attach more importance to the character of the man than to his reputed possessions. I think I have heard that

stated by several members of the House who have studied the methods of bankers more, and at closer range, than the writings of Solomon and Shakespeare. 'A bank may lend money.' I do not think that exerts the power either of Parliament or the Government to any great extent. If these subclauses are to be of any value we should need to alter the 'may' to 'must'; but as I have already said, I agree with the Prime Minister that that would be a somewhat drastic interference with the right of bankers to manage their own business. That would be an extreme measure, in my view. I do not think that these clauses are of much value.

As to the fixed rate of interest granted on money, that differs from the practices in the Old Country. In the Old Country, in Scotland at least, when money was scarce they issued an advertisement that a higher rate would be paid, and at once money flowed into the banks. I think it is unfortunate that they have that fixed rate, especially when there is no fixed rate at which it goes out. I am with the Prime Minister that it is difficult to regulate these things by Act of Parliament.

Something has been said about amalgamation, and there is considerable consensus of opinion in the country behind the view eloquently and forcibly expressed by the hon. member for Assiniboia, that banks perhaps ought to come to Parliament before they are allowed to amalgamate. We give in each case a special privilege in the shape of a special charter of a given bank and a good argument could be set up for Parliament, which gives the original privilege to each of them, having power to step in and say: You shall not merge your interest unless you come before Parliament for the power. The facts brought before the House by the hon. member for Westmorland in regard to the amalgamation of capital and the crowding of the monied forces of the country into such few hands, carries with it a very important warning to those who have the good of Canada at heart and who know anything of human nature. Power is a dangerous thing. It was found dangerous in English kings, and we have a limited monarchy under which the King is largely ornamental, with fortunate results to all concerned. It is found dangerous to-day in the House of Lords, although there are five hundred of them, and their powers have been greatly curtailed. It would be a sad thing if a country like this, which in its very nature, and especially in the character of its people, is as pure a democracy as the world has seen, should allow to grow up, outside of Parliament and government altogether, a power which controlled either Parliament or Government, a very terrible thing. I recall on this point that one of the great writers and political economists in Great Britain who has travelled in America and all over the Empire, who travelled in Canada a few years ago, when he went home wrote a book, 'Canada of To-day.' In that book, writing for Englishmen supposed to love freedom and to know something of its enjoyment and to have done something to achieve it for others, and of human rights, he said: 'It is a sad fact to which the workingmen and farmers of Canada will one of these days waken up, that they are owned, body and soul, by a few bankers, a few manufacturers, a few lumbermen, and a few railway magnates.'

Mr. LEMIEUX: Who said that?

Mr. CLARK: Mr. J. A. Hobson. I have only been eleven years in Canada and I have to be a modest man in expressing any opinion about Canada, although I find a Canadian who goes to England for three weeks can return and tell me all about England; and I have the most patriotic and purest motives in venturing to quote that language to this House. I think it furnishes food for thought to every Canadian patriot, to every lover of his country. On that point also I am in agreement with the Prime Minister. Too much amalgamation would not be very good, and too little would not be very good either. There is another point upon which a great many members have spoken, and that is the point of inspection. I must confess that I was not struck with the somewhat light and airy way in which my hon. friend the Minister of Finance dealt with that subject. He is so fluent that I do not think he always elaborates his own argument as well as he might. He is so eager to get to another point that he does not always finish the last one in a satisfactory way. In regard to that method of arguing, as well as to getting his legislation through, we bore with him with great good humour, and we are inclined to do so still. We bore with his ways because they were the ways of an interesting youngster, but he is growing up now and he will have to give reasons for what he says. He dealt with this subject but very furtively; he seemed to shy off from it. I want to read just what the Minister of Finance said in regard to government inspection:

> With regard to government inspection, which has been put forward on more than one occasion, in my judgment, in connection with a system of banks such as we have in Canada, it would be entirely ineffectual and illusory. It would create a false sense of security in the minds of the public and, I think, in the minds of the shareholders of the banks, and I think it would tend to relieve the directors from a sense of responsibility which I think they should have respecting the administration of the affairs of a bank.

Now, I must confess that that reason does not carry with me. Why should the inspection of banks by the Government create a false sense of security? If it has any use in the world, it would create a sense of security, but why a false one? As my hon. friend from Westmorland (Mr. Emmerson) pointed out, we have all kinds of inspectors in civilized countries. We had the instance of meat inspectors brought before us by my hon. friend. Does any housewife in Ottawa look less carefully into the joints which she buys because there are meat inspectors in Canada? I think the reasoning does not carry. We had inspectors of nuisances in England. Would any one be likely to get a larger accumulation of dead cats in his back yard because there were inspectors of nuisances? I think the knowledge that there was an inspector of nuisances would on the other hand lead the careful householder to get rid of the single cat that happened to die on his own premises. I cannot for the life of me follow my hon. friend's reasoning; it does not carry me one step. I do not see where it would give a false sense of security. It would not only give a sense of security, but I hope it would give security. I think it would give security, or else the whole trend of legislation of the civilized countries of the world has been wrong. I would like the Minister of Finance to look at it from that point of view.

As to lessening the sense of responsibility on the part of the directors, does my hon. friend really think it would? Here are the directors of a concern. They know that the Government and the country through a well known inspector have their eyes upon that concern. They are responsible for the directing of the business of that concern; they know that the Government through a man of their appointment have their eyes upon how they are doing their business. Does my hon. friend argue from his knowledge of human nature that the sense of responsibility on the part of those directors would be lessened by the knowledge that above them was a power which even they must respect? Why, it is contrary to all our knowledge of human nature. I think there is nothing in that argument. There may be internal reasons why we should not have government inspection, reasons that I do not understand, but his argument is contrary to the best thinking I can do in the matter. The knowledge that the Government was watching them could never lessen the sense of responsibility of bank directors, any more than it would lessen the sense of responsibility of any citizens in any walk of life in any capacity to know that he was watched, and that, in the last analysis of his conduct, he was responsible to what ought to be the highest power in this land, the Government of the country. Now, I submit that, as a careful argument, and I have put it as carefully as I can before the minister to see if he can afford some better reason for turning down what is a very strong demand in this country. There can be no doubt, judging from the course of this debate, that if hon. members opposite were able to depart from party considerations outside of this House altogether upon this question of government inspection, we should have a very large vote following the lines of the speech from my hon. friend from North Ontario (Mr. Sharpe). I am perfectly sure that my hon. friend from North Ontario and many of those gentlemen who applauded him so vociferously, were not actuated by mere party considerations. I am perfectly sure that they have been studying this question. They were brought close to the suffering of the people who lost so heavily in connection with the more recent of our bank failures, and I am perfectly sure they are actuated by an intense and honest desire to prevent such sufferings in the future. I do not want to impute party motives in this matter, but of course they might have half an eye on the next election. I am sure however, that to a large extent they are actuated by good motives, and that they want to cure a real defect and to prevent such things from happening in the future if at all possible. I throw out these considerations strictly along the lines of the general principles laid down by the right hon. the leader of the Government, with whom I repeat, I agree on those general principles; but I think if our legislation is to be brought into line with the principles laid down by the Prime Minister himself, there must be some alteration of these clauses.

Some hon. MEMBERS: Question.

Mr. SPEAKER: If any other members desire to speak, it is my duty to declare that the debate is about to be closed by the original mover of the second reading, and that if they do not speak now, their opportunity will be gone.

Mr. EMMERSON: I do not wish to prevent my hon. friend the Finance Minister from speaking, but I would like to understand the rule of Parliament in that regard. I have always understood it was only in certain cases of substantive motions that there was a right to reply, and I do not consider that this comes within that category.

Mr. SPEAKER: The rule says distinctly that in substantive motions and on the second reading of Bills, the member who moves the motion is entitled to reply. This is the second reading of the Bill.

Hon. W. T. WHITE (Minister of Finance): Mr. Speaker, at the outset I have

to thank my hon. friend from Red Deer (Mr. Clark) for his tender solicitude both for myself and the Bill. I have known that my hon. friend was, until recently, as he has said, a follower of Bright and Cobden and Adam Smith. I have also known from his speeches in the House, which, I always follow with the interest and attention and, I may say, with great pleasure, that he is a student of Shakespeare, and that he derives a great deal of his playful humour, sarcasm and powers of vigorous and apt expression from the Bard of Avon. But, I never knew, until he told us to-night. that he had studied Solomon. If he has studied Solomon at all diligently then all I have to say is that he has not profited nearly as much as he might have from that study. So, I commend to my hon. friend, with reference to politics and many other things, a further study of our friend Solomon.

We have had a very interesting discussion on this Bank Act. I think it will do a great deal of good. When I introduced the Bill I invited suggestions of a practical kind. This is a non-controversial measure politically. It has always been so regarded. I stated that the Government would welcome any suggestions of a practicable kind that would improve this Act which I have had the honour to introduce in connection with the renewal of the several bank charters. I think we have all recognized that this subject is a very important one and I think we all desire on both sides of the House that there shall be no crude, ill-considered or hasty legislation in connection with a matter that touches the vital interests of the community in all its parts. I congratulate the House, if I may be permitted to do so, and I certainly desire to do so, upon the very fair minded discussion that we have had on this measure. It has not partaken of a political character, it is not a subject of political controversy and it could not well be. It is probably not borne in mind by members of the House on either side that at the time the late Government went out of office, or rather at the close of the last session just before the general election in September, 1911, there was a measure standing for its second reading, introduced by the right hon. leader of the Opposition (Sir Wilfrid Laurier), relating to the same subject, the renewal of bank charters, drafted by the Hon. W. S. Fielding, my predecessor. I desire to draw that again to the attention of the House in order that we may see how far bank legislation was advanced by that measure. That Bill was introduced by the right hon. leader of the Opposition and represented the views of the Minister of Finance of the late Administration. It will probably be a surprise to some hon. gentlemen who have criticised rather severely some of the provisions of this Bill to learn that they were the same as were contained in the Bill of the Hon. Mr. Fielding. When I came into office I found this Bill, which, as I say, on account of the session having come to an end, had not reached its second reading. Mr. Fielding, had turned his mind to the question of bank inspection and bank audit and the Bill which was introduced by the leader of the Opposition—the Fielding measure—did not go nearly as far as this measure of mine. The Bill, so far as audit was concerned, because he had rejected government bank inspection, made it permissive to the banks, at their annual general meetings of shareholders, to appoint auditors with similar powers to those which we have given them in this measure. I felt that public opinion would require a further step than that and in consequence I took substantially the provision in the Fielding Bill, but instead of allowing that to remain permissive I made it compulsory. In other words, is so far as the views of the late Government, through their Finance Minister, and the then Prime Minister, went, at that time, they were unwilling to grant or to consider favourably government inspection, but they had gone the length, which means a considerable step as I shall show, of permitting the shareholders of banks, at their annual general meetings, to appoint auditors with nearly the same powers as we have given them in this measure. That is the substantial difference between the two bills, the Fielding Bill and the Bill of this Administration, on the question; that is to say, that the late Government made audit permissive to the shareholders and this Government has taken a step further and made it compulsory.

There are two other substantial features of the Bill which differ from those contained in the Bill of the Hon. Mr. Fielding. In the first place, as I explained the other night, we have adopted very stringent provisions to prevent fraud and dishonesty in the period between the incorporation of a bank and the issue of its treasury certificate. I shall not refer to that again because I have adverted to it on two different occasions, the provisions are well known to the House——

Mr. BORDEN: And they are new.

Mr. WHITE: They are new. A third provision is one to which I shall refer a little later on at greater length, namely, a provision whereby the banks may advance to farmers upon the security of their threshed grain and to ranchers on the security of their cattle. A fourth provision is one which I think it is unnecessary to discuss at length in the House, but which will undoubtedly receive consideration

during the discussion of the Bill in committee. It is the provision that banks may issue their note circulation against gold. There are a number of other features, for example, one to strengthen the form of the return which shall be made to the Government and in many other ways the Bill has been improved in order to meet judicial decisions.

Another feature which was also covered in the Fielding Bill is a provision whereby the directors shall be liable for negligence. His Bill provided for such criminal liability and the Bill which I have presented has an almost similar provision in that regard. As far as the two parties are concerned, the only substantial difference is that since the late Government was in office and this Government has come into office, we have advanced the legislation in the manner that I have indicated. In the course of the debate I have been impressed with the fact that after all history is continually repeating itself. I do not know whether hon. gentlemen have read the debates connected with the revisions of 1890 or 1900 but it is a fact that all or nearly all of the questions we have discussed upon this occasion were thoroughly discussed upon one or other of those occasions. For example, in 1890, provisions for audit were introduced into the Bill brought down by the Finance Minister. After a heated debate those provisions were withdrawn as impracticable. In 1900 the question of government inspection was raised, and almost by common consent was dropped as impracticable. In 1890 the question of loans to farmers upon threshed grain and upon their produce generally was made the subject of a heated discussion in this House. Among others, I think Sir Donald Smith, now Lord Strathcona, took the view that the farmers should be allowed to give liens to the banks upon the security of their produce in the same manner as the manufacturers were permitted to give liens. Sir John Thompson, then Minister of Justice, I think, and the Hon. Edward Blake, both disagreed and gave reasons of a very weighty character as against the proposed legislation. In substance their reasons were that the legislation invaded the legislation of the several provisions against secret liens, and violated the principle which brought about the enactment of the several chattel mortgage acts in those provinces, so that I say nearly all the questions which we have discussed on this occasion, I think even the question of a national bank, were discussed energetically and sometimes heatedly on those occasions. I think in 1900, Mr. Clarke Wallace and many others took strong grounds that the liens given by manufacturers and wholesalers to banks should be registered; and that was also debated at length. The Hon. Mr. Fielding, then Minister of Finance, gave many reasons why in his opinion it would be inexpedient and impracticable. So I say there is nothing new under the sun, and these matters have all been discussed in the past. I do not mean to say, because they were discussed in 1890 and 1900, and a certain conclusion reached, that that conclusion must necessarily be good for all time. What has happened in the last few years of course has been that there have been a most unfortunate and regrettable number of bank failures, that have marred the honourable record of Canadian banking; and as a result people and press and legislators have been desirous of adopting such safeguards as will, if not absolutely prevent, tend to prevent or prevent so far as may be possible the recurrence of similar failures brought about by fraud and dishonesty. I am sure I am voicing the sentiments of every one on both sides of the House, when I say we all desire to afford those safeguards, and the only question is that of method. In view of what I have said as to the measure brought down by the right hon. the leader of the Opposition, the Fielding Bill, and in view of what I have said as to the discussions that have taken place in the past, I think we may put on one side all questions as to whether any one side in this House reflects the opinion of a capitalist class or any other class. The Bank Act has always been an Act that has presented many difficulties in dealing with it; it has always been considered by the members of the House, irrespective of party, that most careful consideration should be given to any proposed innovation, especially of a drastic character. Banks are delicate organizations, and apart from that, very often legislation, which appears to be specious and plausible, and for which many good reasons may on the face of things be given, may turn out to defeat its very purpose. I think my hon. friend from Red Deer (Mr. Clark) will appreciate as fully as anybody what I mean by that, that is, that sometimes you seek to accomplish by regulation, in connection with trade or in connection with finance, something that appears to be desirable, and you find either that it is evaded or that as a matter of fact in carrying it out, it defeats the very object you had in view. Of course these are only general considerations; and I shall speak, I hope, not at too great length especially at this late hour, in regard to a number of matters which have been brought up, and I shall discuss them in the order, not of their importance, but of the opposite. I shall deal briefly first with those matters about which I think there is no substantial dispute among, at all events, the majority

of the House. My hon. friend from South York, whom we all listen to always with great interest, is in favour of the establishment of a great national bank in Canada. As far as I can see, there is no public demand for such an institution. I think my hon. friend has lost sight of the fact that the Bank of England is the great regulator of London, and of the financial world. The Bank of England is not a government bank; it handles the Government business; but it is a private bank, privately owned and privately administered. Therefore so far as Great Britain is concerned, and London is the money centre of the world after all is said, they have not felt the need of a national bank. The Bank of England manages the Government business; and has a great deal to do for the Government; but it is not a government bank in the sense indicated by my hon. friend. I think probably that we have failed to realize the size of the banks that we have in Canada. So far as prestige, so far as financial strength is concerned, they stand very high among the great banks of the world, that is, our greatest banks. I think in this country there is no public demand, at least we have not heard of it except from the hon member for South York, for a great national bank administered by the Government, gathering up the savings of the people and using those savings on public works. I think the opinion of the people in regard to public works, is that it is very much better that we should use our credit abroad, where capital exists among the lending nations, especially in Great Britain, for the purpose of obtaining that money, and that the savings of the people should be available for the commercial and other needs of the country which are expanding at such a great rate. I also dismiss the suggestion made by the hon. member for South York as to a large issue of two or three hundred million dollars of Dominion notes secured to the extent of twenty-five per cent by gold. I do not think that would appeal to the sound judgment of this House. If the notes were unsecured by gold and were not made fiat money, they would not remain out; the Government would not be in a position to redeem them. As I pointed out the other day, only twenty-one or twenty-two million dollars of notes are in the hands of the people. Of course there are the bank notes, but two or three hundred million dollars of Dominion notes, secured to the extent of twenty-five per cent by gold, would be very unsafe finance, In fact it would be an impossible situation to maintain; the money would not stay out; the Government would not be able to meet its liabilities, unless it were made fiat money, and fiat money means a depreciated currency and all that follows from that. Therefore so far as those two considerations are concerned, I hardly think it necessary to deal with them at any further length.

There was another proposition put forward, which on the face of it appeared to be somewhat specious and plausible; it was that all banks should guarantee the deposits of each. Not many members spoke in favour of that; and I think that the sound common sense of the House is against that proposition. I believe that is right for this reason: that proposition really is that the credit of all the banks, the standing and reputation of all the banks should be equalized; it means that all the banks are behind each, that no party would exercise or would require to exercise any discrimination as to where he should place his deposits. It means that the bank that has been in business for a hundred years, or fifty years, and has an honourable record and is entitled to credit by its standing in the community, would have no more power, really, of attracting deposits than the bank that had not that standing. So, from that standpoint, I think it would be extremely undesirable. It may be said that this relates to the bank, and if it were in the interest of the public, notwithstanding that the bank might lose the advantage of its standing and reputation, still some such provision should be adopted. But there is this to be said from the standpoint of the public, and I think it is an important point in connection with such a proposal: If a bank, especially a smaller bank or a new bank, obtains money too rapidly, it is not likely to invest it very well. In other words, a bank must be in business some time before it is in a position to invest large sums of money wisely and well. Taking the two considerations together and I think you would have a stiuation which would not appeal to us as desirable.

Now, my hon. friend from South Wellington referred to the question of manufacturers' liens, and I understood him to say that he did not dissent from the provisions of the present Act under which these liens may be given without registration. I made very careful inquiry into that, because the point had been raised and discussed before, and I found that the lien given by the wholesale manufacturer is in use daily in almost all the banks and their branches in the principal places. Thus, hundreds of these liens are being taken daily. And I think that, having regard to the fact that that provision has been in operation for over twenty years and has given satisfaction, it would be extremely unwise to enact now that anything in the nature of a chattel mortgage should be given and registered. The giving of a chattel mortgage, as every hon. member of the House knows, is looked upon askance by the commercial community; and to make any provision for

the filing of these liens, to say nothing of the difficulty owing to their number, would I think, tend to disturb the whole commercial community. As to the point made by the hon. member for South Wellington and others with regard to liens which are given under the provincial laws to workmen, I think that is a matter which should receive very careful consideration on the part of the committee. I am not quite sure that the Dominion law over-rides the provincial law in this matter. The hon. member for South Wellington seemed to think it did. So far as I am concerned, I shall have the greatest pleasure in looking into that, to see if a provision can be made to meet that position, if it is thought desirable by the committee to meet it.

Now we come to the question of liens on grain and cattle; and I may say in connection with that clause that a debate took place in 1890 to which I have referred before, a debate of very great interest. It is a principle that has been recognized in the Chattel Mortgage Act of every province that anyone who has in his possession goods shall be assumed to be the owner unless, if he gives a bill of sale or chattel mortgage, he gives public notice of it; and I think that is a very good law. A good many evils arose from non-registration of these mortgages and bills of sale in the old days, and creditors were seriously and adversely affected. And the result is that in nearly all the provinces they have the usual law relating to chattel mortgages. I made some inquiries as to whether liens given by farmers could be registered conveniently—for, of course, the legislation as to loans upon threshed grain is general in this character, applying to the West and to the East. The committee will have to carefully consider in taking that question under review, whether facilities exist in the several provinces for the convenient registration of these liens if it is thought desirable to allow them.

Mr. GERMAN: The liens taken by the manufacturers on manufactured goods sold to the farmer and others are filed with the Clerk of the County Court.

Mr. WHITE: That is, the manufacturer who has a lien on his manufactured goods sold to another has that lien registered. That is the law of Ontario. Does the hon. gentleman know if it is the law of the other province?

Mr. BORDEN: That is the law in Nova Scotia.

An hon. MEMBER: And in New Brunswick too.

Mr. WHITE: There is no chattel mortgage, I believe, in the province of Quebec.

So, there are matters which will have to be considered first as to whether facilities exist throughout the Dominion under which these liens could be registered, and second, whether it is desirable that they should be registered. Much can be said in favour of registration; but it must be obvious that, so far as the West is concerned—for this was primarily designed to meet conditions in the West—much will depend on the expense of the registration. It is obvious that if an expensive registration were provided for—let us say the drawing of a chattel mortgage and filing it—that might have the effect of so increasing the cost of the loan to the farmer who wished to borrow say $100, or $200, or $1,000, that he would not avail himself of this provision. These are things that the committee will have to give attention to when the subject is considered. As to liens on cattle, as I have already said, in 1890 that question was discussed fully, and the conclusion was reached at that time that it would not be in the interest of the creditors or the public generally that the powers should be given, and consequently up to this time it applied only to wholesalers and manufacturers—that is, the wholesale principle has governed—and they have been able to avail themselves of the Act and give a lien on goods in process of manufacture in order to pay for material and pay wages of workmen in the meantime. Wholesalers and manufacturers have been allowed to do that; not retailers and private individuals. The gist and essence of Canadian banking has been to loan upon the personal security of individuals, which, I think, is a sound principle of banking. I made careful inquiries about this matter of liens, because we realized that it was a serious departure. We all know the situation in the West. We know that it is very undesirable that the farmer should have to market his grain quickly. He needs money and cannot get it. He has to throw his grain on the market, let us say, within a few weeks' time. He sells at a time when the price is not as good as he probably could get if he were able to wait. There are other considerations, which I do not need to enlarge upon now in connection with transportation, and so on. But we knew the advantages and disadvantages, and we came to the conclusion that it would be wise to insert this provision and give it the chance. I made inquiries to ascertain whether the banks would be likely to lend more freely if such a provision was inserted in the Act, and I became satisfied from my inquiries that they would. It was by reason of that fact that I came to the conclusion that the advantages would outweigh the disadvantages, and that the former should have the privilege

of giving a lien upon the grain in his possession. With regard to grain in the possession of a third party, no question arises as to registration. If I hold a warehouse receipt, that, is a receipt from a third party—a responsible party—and it is out of my power to dispose of that property or to deal with it in any way. In the same way, if I obtain a loan upon a bill of lading and the property which it covers is in the possession of a third party—a responsible party—it is out of my power to deal with it. The Act has not in the past given power to an individual to give a lien upon property not in his own possession. However, I think this is well worth giving a trial, and if the committee, after a full discussion of the matter, comes to the conclusion that the lien should be registered, and if there are facilities for registration, I need not say I shall be only too glad to give that my very best consideration, because I do want to reach the best results in the matter, and to adopt the best method of bringing about that result.

In reference to liens of ranchers upon their cattle, there has been great doubt as to whether cattle ranchers could legally give a lien to the bank. I think it is wholly desirable that the cattle raising industry should be encouraged, and all facilities afforded for its development. By virtue of a decision in the courts of Alberta, some doubt was thrown upon the rights of a bank to take a lien of that kind from so-called wholesale or large cattle raisers. It is very difficult to obtain a word that will cover the case. In 1890, when a definition was sought of the word 'wholesaler,' it was finally decided that a wholesaler was a wholesaler, and the word could not be otherwise defined. As I say, we are only too glad to consider any improvement to that clause, or, as a matter of fact, any other clause of the Bill. What we desire to do is to assist, by giving proper banking facilities to those who raise cattle in the West, in order that the industry may be encouraged to as great an extent as possible.

With regard to rates of interest and discount, I may say that I made some inquiries with regard to this clause also—for I certainly approached this Act desirous of doing whatever could properly be done to form an Act that would be in the interests of the public. I had not known that loans were made at a rate of interest as high as twelve per cent, and, if that is so, I have no hesitation in saying it appears to me to be extortionate. With regard to the seven per cent rate, I was told, upon making inquiry, that the banks in the new districts compete with each other for business, and in one of the papers I read with regard to the matter I observed the statement that in some places in the West one hundred or two hundred inhabitants there were two banks competing for business. I was told further that these branch banks require a considerable sum of money at the outset for their establishment, the cost of building, construction, and the expenses of management being very large, and some considerable time elapses before a branch bank becomes profitable. A very serious question arose as to whether, if that clause were made too drastic, the banks would open branches in the smaller towns; in other words, whether we might enact legislation that would really defeat itself. That is a matter for consideration, and I pass no opinion upon it. The clause limiting the banks to 7 per cent is in the Act; the high rate of interest mentioned seems to me, as I have said, to be extortionate, and how to meet that situation wisely so that on the one hand all the different sections of the country shall receive ample accommodation, and on the other hand that the public shall be protected against extortionate rates of interest, is a matter which will require very careful consideration.

Much has been said with regard to small banks, and I may say that I listened with a great deal of interest to the remarks of the hon. member for Assiniboia on this matter. Personally I have never held the view that the small banks cannot render as good a service as the large institutions, and I think I have expressly stated this would depend entirely upon the manager. I do not consider a capital of $250,000 too large if the banks will go into the business of banking and carry it out properly. If they pay no attention for a year or two to the question of what the stock is selling at, and earnestly take up the question of banking, I entertain no manner of doubt that they will meet with success if they carry on their business properly and realize that they are seriously engaged in the business of banking. As far as the small bank is concerned, therefore, I am not in disagreement with the views expressed during the discussion. With regard to a smaller capital than $250,000, I would like to point out that the provision for $250,000 as a minimum was provided after at least one bitter experience concerning a bank incorporated with a much smaller capital in one of the eastern provinces. This institution carried on business for three or four months, when it was closed, bringing disaster upon a number of innocent people. It has generally been considered since this Bank Act was first brought into effect, that $250,000 is the minimum capital with which a bank should engage in business.

A great deal has been said with reference to the comparative merits of the unit and branch systems of banking. I have no

hesitation in saying that the branch system, which follows the English and Scotch systems, is a better one than the unit system. The fluidity of capital—that of gathering up deposits in the farming communities, for instance, where loans cannot be made equal to the deposits, and using the funds in the West for the moving of crops or other purposes—is one of the advantages of the branch system. The unit system, which is in vogue in the United States—that system which is carried on without branches—has many disadvantages. In the United States they have had a series of panics from time to time in which banks have been obliged to suspend cash payments, and, in a such time of distrust or panic, the result is that the people desire to obtain currency, and the small banks throughout the country call upon their New York correspondents for gold. They may have no immediate need of it, but in in order to make themselves a little stronger, they feel they would like to get some of their balances back. The result is that from all parts of the country there come these demands upon New York for gold and panicky conditions are set up. You find that to be one of the phenomena of the recurrent panic in New York. I have no hesitation in saying that the English branch system and the Canadian system, that is the branch system, is a superior system to the unit system. I am not saying, of course, that it is the last word in banking by any means, but still, as a system, I believe it is superior to the other.

We now come to this question which has been chiefly discussed, the question of audit or of Government inspection. When moving the second reading of the Bill I made the point that there was a difference between audit and inspection, that inspection presumed a passing upon the quality of loans and I pointed out some difficulties in the way of doing that, especially in connection with a system such as we have, a branch system with some 2,800 branches —some of course small but others important and some very large, spread throughout Canada and in different parts of the world. Audit means, I think, more than the mere checking of entries. It would be the duty of competent auditors to not only do that but if there were any ultra vires or fraudulent or suspicious transactions to bring them to the attention of shareholders, and to have them remedied. That is my view as to the duty of an audit. As to the head office inspection it is true that failures in Canada have usually taken place by reason of fraud and dishonesty at the head office. That had been the most convenient place but I am far from saying and I do not believe any one will say that that is the only place, in a system such as ours, in which fraud can take place. It must be obvious to all that legislation cannot absolutely prevent loss through fraud and dishonesty. Where you have collusion, means will be found to defeat, to some extent, the closest audit that can be invented and I think that all legislation can do is to protect the depositor and the public and the shareholders to the best of our ability, reasonably protect him. Many suggestions have been made. It has been pointed out that the appointment of auditor, while vested by the Act in the shareholders, would really be made by the directors. Any suggestions that will ensure that the auditors appointed shall be firms of the highest reputation and standing, men who would not collude, even if they were invited to collude, will receive the most careful and earnest consideration not only of the committee but of the Government. The suggestions that have been made will be considered. There is a provision in the Act that the Government may ask the auditor appointed by the shareholders to make an inspection of the bank, if anything appears in the statement handed into the Government, or anything called to the attention of the Government would seem to require examination, and report to the Government. I will be prepared to consider any suggestions that will tend to make that investigation a greater safeguard than the Bill provides. A suggestion has been made as to a minority requesting that an auditor be appointed. We will be prepared also in commitee to carefully consider that, in fact any suggestions of a practical characterare not only invited but will be welcomed, because we have all only one desire and that is to safeguard, as far as we can by effectual legislative safeguards, the interest of the depositors, the shareholders and the public generally.

Something has been said of the inspection of insurance companies. There is this essential difference between the two. An insurance company at its head office has the securities in which the moneys it has received are invested. The class of securities in which it may invest is defined in the Insurance Act, there is no difficulty in inspecting these securities, they are stock certificates or bonds, tangible securities. It can be readily ascertained whether or not they are under the corporate powers of the insurance companies and there is this essential difference between banks and life insurance or loan companies which, as the hon. member for Lambton has said, invest in mortgages and municipal debentures, that the banks invest upon personal security, upon notes all over Canada and the world, that they have $1,000,000,000 worth of current loans or discounts among their assets. These are principally upon personal

security, so there is that essential difference between the banks on the one hand and insurance and loan companies on the other.

Speaking generally with regard to the audit system provided by the Act, it is practically the suggestion of Mr. McLeod, who was the general manager of the Bank of Nova Scotia, and a pioneer in this question of external inspection. The audit which is provided in this Bill is the audit he had in mind. I am sure that we can so mould the provisions of this Bill as to ensure that the auditors appointed by the shareholders at their annual meeting shall be reputable men of standing and capacity who will realize their duty under the Act and who will not be unduly influenced, and who will not be in a position to be unduly influenced by directors or officials or any one else. I think that can be accomplished and we shall try to bring that about, at the same time being willing to consider any other suggestions that have been made or may be made. It has been said that the audit system will be futile and ineffectual. I hesitate to believe that. The audit is a well recognized principle and has been for generations throughout the British world. The law in the United Kingdom provides for audit substantially as we have provided here. In all the provinces of Canada there is a system of audit under which auditors appointed by shareholders examine the affairs of a company, check over the cash and securities, and make their report to the shareholders. Personally, I believe it is of very great value, but a different opinion has been expressed as to that. As against that opinion I would just set out the fact that, as I have stated, audit is recognized throughout the British Empire as a very beneficial check upon the administration of officers of companies of all kinds, and therefore I cannot believe that it would be ineffectual. On the contrary I believe that auditors of high standing, who are not so elected as to be under the improper influence of any set of men, would carry out their work with credit to themselves and with great benefit, so far as safeguards are concerned, to the shareholders and to the public. I think that is the principle that underlies English law relating to audit. When we came to consider this, when we found as I have stated that in the Bill left by my predecessor there was this very form of audit made permissive, when I looked up the English law and found it was compulsory in Great Britain and that it was substantially the law throughout the British Empire, I thought, and still think, that the step made in this Act is a forward step and that the present Bill is decidedly in advance in many respects of any legislation relating to banking which we have had in this country up to date.

Now I think there is nothing further that I desire to say. The proper place to discuss these questions in detail is of course in the Committee, and I have no doubt that the Committee will bring to bear upon the question the sincere desire of bringing about well considered legislation which will meet the difficulties that have arisen and the defects that have been disclosed in the legislation relating to banking since the period of the last revision in 1901.

Mr. GERMAN: Would the hon. gentleman give us his views as to the right of a bank to have priority, as against other creditors, on the shares held by a deputy?

Mr. WHITE: I would like to consider that. I am not quite sure that I am familiar with the point raised by my hon. friend. I understand that a bank to-day has a lien upon its shares to the extent of any indebtedness of the shareholder to the bank. Is that it?

Mr. GERMAN: Yes.

Mr. WHITE: That seems to be a privilege which banks have but which I am not at all sure that they should have. I am quite willing to consider that in Committee. It is not the case in connection with any other companies, but it probably arises from this fact that the banks are not allowed to loan upon their own shares and they are not allowed to buy their own shares because that would diminish their security to the creditors. Nor are they allowed to borrow upon them. I am not at all sure that they should have that privilege, and when it comes up in Committee I shall be very glad to consider the point.

Motion agreed to, Bill read the second time, and referred to the Select Standing Committee on Banking and Commerce.

Mr. BORDEN moved the adjournment of the House.

Mr. OLIVER: What business will be taken up to-morrow?

Mr. BORDEN: It is possible, though I am not quite sure, that we shall take up the third reading of the Bill to confirm the trade arrangement with the West Indies. After that we shall take up Order No. 3, resuming the debate upon the motion for the second reading of and concurrence in the resolution for increasing the effective naval forces of the Empire.

Motion agreed to, and House adjourned at 11.40 p.m.

HOUSE OF COMMONS.

FRIDAY, January 31, 1913.

The SPEAKER took the Chair at Three o'clock.

PRIVATE BILLS.

FIRST READINGS.

Bill No. 105, respecting the Canadian Northern Ontario Railway Company.—Mr. Currie.

Bill No. 106, respecting patents of the Johnston Harvester Company.—Mr. Macdonell.

Bill No. 107, to incorporate the Manitoba-Ontario Railway Company.—Mr. Carrick.

GOVERNMENT INTERNAL ELEVATORS.

On the Orders of the Day being called:

Mr. BUCHANAN: Would the Minister of Trade and Commerce state whether there is any foundation for the following despatch in this morning's Citizen:

Fort William, Ont., Jan. 30.—An important announcement is likely to be made in a few days affecting the grain business and the farmers of Alberta and Saskatchewan.

It is as good as settled that the Dominion Government will at an early date proceed to establish a very extensive system of internal elevators at central points in Alberta, Saskatchewan and possibly in Manitoba.

Mr. Staples, one of the grain commissioners, has been very active in the matter and has impressed upon the Government the imperative need for immediate action. The embargo announced by the Canadian Northern railway a few days ago has helped to bring the elevator situation to a point where action is necessary.

The first elevators, of probably 1,000,000 bushels capacity each, will in all probability be located at Saskatoon and Swift Current in Saskatchewan and Red Deer and Lethbridge in Alberta. Elevators may be erected at Calgary and Edmonton later on, but the question of city population does not enter seriously into the matter. The idea is to secure relief for congested districts and prevent blockades bound to occur.

It is understood that the railroad companies are planning and co-operating with the Government. The railroads figure that the same railway equipment as at present will be able to give about fourfold the present service.

As this is a very important matter to the West, I would like a statement from the Government as to whether there is any foundation for this report.

Mr. FOSTER: I saw that article. There is a good deal of ingenuity displayed in buiding up and extending the supposed information in it; but I have to tell my hon. friend that no conclusions have been arrived at, and up to the present time there cannot be said to be any truth in the article.

Mr. BORDEN.

THE CANADA GRAIN ACT.

Mr. KNOWLES: Could the Minister of Trade and Commerce answer the question which I asked the other day with reference to the proposed amendment to the Grain Act?

Mr. FOSTER: I think there will be some amendments to the Canada Grain Act. They will not be very important and will not extend the list of places where sample markets may be established. The procedure under that Act has to be pretty carefully undertaken, and it is not the intention to enlarge the number of sample market points at present. I am not in a position as yet to state whether there will be any extension of the number of places where there may be boards of survey. The amendments will provide for inspection at milling points where it is considered advisable.

OCEAN FREIGHT RATES.

Mr. MACLEAN (South York): Has the attention of the Minister of Trade and Commerce been called to the enormous increase in ocean freight rates as applied to Canadian export grain, and can any relief be afforded through the subventions granted to some of the steamship companies?

Mr. FOSTER: That question has been brought to my attention. A representative committee from the Council of the Board of Trade of Toronto waited on me in Toronto and placed before me the matter not simply of rates upon grain but of ocean rates generally, and from their papers, so far as I have been able to look at them, they established the fact that the increase has been considerable.

Mr. MACLEAN: Phenomenal.

Mr. FOSTER: Whether it is unreasonable or not is a matter which is now being investigated by officials of my department. Similar representations have been received from merchants and other boards of trade.

GRAIN TRAFFIC DIVERSION.

Mr. LEMIEUX: I would call the attention of the Minister of Marine to some resolutions adopted the other day by the Montreal Board of Trade about the diversion of grain traffic from Canada through the United States, in view of the very high insurance rates. Has my hon. friend received those resolutions, and what action do the Government intend to take? Of course, it is always the old question of Lloyds. I understand that my hon. friend the Minister of Trade and Commerce, in a speech delivered not very long ago, rather suggested the idea that the Government would be willing to help towards the establishment of a Lloyds insurance in view of

the high rates on the St. Lawrence. Is any action contemplated by the Government on this question?

Mr. FOSTER: As the hon. member has referred to me, I may say that the matter of insurance rates to Canadian ports as contrasted with the rates in the zone to the south of us, has for the last year engaged the attention of the Minister of Marine and Fisheries and myself, and a good deal of time has been expended and a great deal of information collected. As my hon. friend knows, it is a very difficult question. The position that the Minister of Marine and myself have taken is that we are thoroughly sympathetic with any means by which more reasonable insurance rates can be got for the St. Lawrence route, and our Atlantic shipping ports, at the same time we think it is up to the shipping and exporting interests to take the first step towards some practical method of meeting the difficulty. In taking that step they will be sure of the sympathy and co-operation of the Government. but to what extent I am not prepared to say.

NAVAL FORCES OF THE EMPIRE.

Consideration of the proposed motion of Mr. Borden for the second reading of and concurrence in the resolution reported from the Committee of the Whole for increasing the effective naval forces of the Empire, and the proposed amendment of Sir Wilfrid Laurier thereto, resumed from January 17.

Mr. E. B. DEVLIN (Wright): Exactly two weeks ago to-day the debate upon the naval proposals of my right hon. friend the Prime Minister was adjourned. It was adjourned at a moment when an emergency was constantly brought to our attention by hon. gentlemen opposite, and when it was constantly in evidence. In fact, the hon. members of this House felt somewhat insecure on account of the statements made by hon. gentlemen opposite that there was really an emergency facing the British Empire and facing Canada as part of the British Empire. Two weeks afterwards the debate is resumed at a time when the waters of international politics are as calm as a millpond in summer—at a time when England and Germany are working hand in hand to re-establish the peace of Europe. My right hon. friend the Prime Minister is very much to be congratulated upon this state of affairs, because, now that there is absolutely no question of emergency, and cannot possibly be any question of an emergency, he can use that money in the development of this country. He can do more: he can begin at once to establish his permanent policy, if he has any permanent policy, upon naval affairs in this country. The question of an emergency was the one upon which hon. gentlemen opposite based the support which they gave to the naval proposals of my right hon. friend. Within the last few days one of the ministers of the Crown, speaking before certain electors in the city of Montreal, said that he had supported the resolution of 1909, brought in by my right hon. friend the leader of the Opposition, because, at that time he, with his Nationalist friends, was convinced not of the necessity for naval construction, not of the pride which every Canadian should have in the defence of his own country, or in the defence of the British Empire, but of the emergency which they believed then existed. Nationalists, he said, believed that if an emergency existed, it was the duty of hon. members of this House to support the resolution, and therefore he gave his support to the resolution of 1909. Strange, is it not, that in 1909, when the resolution was introduced by my right hon. friend the leader of the Opposition, the emergency existed only in the vivid imagination of that minister of the Crown who gave utterance to such an argument? But he went further and said that he now supported the proposals of my right hon. friend the Prime Minister not because of any naval necessity within the British Empire, and solely because he believed that the right hon. gentleman had proved, by the memorandum laid upon the table and by his statement of the secret which is locked up within his own breast, that there was an emergency.

Now, my right hon. friend the Prime Minister has been able to forget the emergency. He has been able to introduce legislation affecting our banks, which he considered to be of more importance to the British Empire, and legislation with reference to a treaty which he and his Government have concluded with the descendants of the liberated Africans in the West Indies, as well as with the English-speaking people of those colonies. It will be the duty of my right hon. friend to again prove, at least to his colleague, that he has a right to expect his support because that emergency, which seems to have been tied to the tail of a kite and to have flown out of the reach of hon. gentlemen opposite, still really exist, at least in the sinuous imagination of the Prime Minister. Upon this side of the House, we take a different view. Of course, we participate with hon. gentlemen on the opposite side in satisfaction at the happy condition of affairs which at present exists, and we believe that there is absolutely no emergency. We believed from the inception of this debate that there could not possibly be an emergency. We upon this

side of the House have more faith in the British Empire and in Britishers ever to have believed that it was possible for 65,000,000 people of the German Empire to beat, either on land or at sea, the British Empire with its population of over 400,000,000 people. But we believed that it was becoming the dignity of a self-governing country within the British Empire to defend its own people and its own territory, and thus to take its proper share of defence of the British Empire. Therefore, in 1909, we took the stand, which we have maintained ever since, in support of the resolution which was presented in a concrete form by my right hon. friend the leader of the Opposition.

It would seem to us that there are two classes of Canadians. There are Canadians who have faith in their own country, who have faith in the men of their own country, who have faith in the brains of the men of their own country, and who believe that if Canada is to follow out her national traditions and her lines of development within the British Empire, the time to begin the national defence of this country is to-day, and within her own bounds. There is another class of Canadians who believe that they cannot possibly have any initiative, who have no confidence in their own brains or in the brains of the men who lead them, who believe that upon all matters affecting the policy of this country they are subservient to the brains of the men whose sphere is confined by the boundaries of Great Britain and Ireland. They are the men to whom I do not wish to appeal today. I wish rather to appeal to the men who have faith in their own country and in the destiny of their own country; who believe that Canada, because Canada is Canada within the British Empire, should have the pride of Canadians, and should build up their own country, not to be a burden upon the British Empire but to be able in time of need to render real assistance to the British Empire by defending her own coasts, her own people, and her own commerce.

Let me ask my right hon. friend the Prime Minister what prompted him to make the proposal which he made. He knew what the policy of the leader of the Opposition was. He knew that we upon this side of the House risked political power owing to combinations made by hon. gentlemen opposite. He knew that we were not afraid to risk political power—that it was a matter of taking a stand upon a most important question affecting the policy of this country and the policy of the British Empire. He knew all that. He delivered speeches in support of that policy. He supported the resolution which contained it, and every hon. gentleman on the other side of the House did likewise; but he found, when he was called upon to carry out that policy or to frame another, that he was not capable of doing so, and he conceived the idea of taking certain of his colleagues with him and of travelling abroad. He did so; he put the country to considerable expense—we do not mind that so much; he arrived safely in London, and it was a matter of congratulation to the people of Canada that the Prime Minister arrived safely. He had sundry banquets and receptions, all in excellent form, and he debated the question of a naval policy. He went to the Board of Admiralty to consult them. He had forgotten that the Board of Admiralty had already given its advice to Canada, but he went again, he came home, he was received with the dignity becoming his position, we on this side of the House sharing with the people of Canada a feeling which was natural in the people towards their Prime Minister. We were glad to share in his reception. We expected that he was carrying back to Canada the basis of a policy which would be of some permanency, but on the contrary, we were amazed when we found that, whatever he might know of the naval position of the British Empire, or whatever he might know of the naval position of Canada, was locked up in his breast and he had to cable back to the Board of Admiralty for a document which would support the position which he meant to take before the people of this country. He had not faith in his own word, in his own action or in his own power of expression. He cabled over to London and there got a document, commonly known as the memorandum of the Board of Admiralty. He came into this House, proudly laid it on the table and said: Here is my evidence that an emergency exists and to meet that emergency we should immediately contribute $35,000,000 to the navy of the British Empire. So, we must assume right away that my right hon. friend had absolutely no ulterior motive. His one idea was to find the best solution of the naval difficulty. Let me assure him that upon this side of the House we share with him the same sentiments of loyalty towards the British Empire. We are concerned as keenly as he is with the solution of any naval difficulty which may ever confront the British Empire and instead of criticising the measure brought down by my right hon. friend, as it was the right of the Opposition to criticise it, we thought that we might do better in a moment of such great importance to the country and the Empire by helping my right hon. friend with a solution of the difficulty. Therefore, my right hon. friend the leader of the Opposition offered him an amendment which conveys the real expression of the feeling of the people of

this country outside of this House as well as the feeling of hon. gentlemen upon this side of the House. It conveys the feeling of hon. gentlemen opposite if they were free to give voice to the views which are at present in their minds.

Before, however, taking up what I presume to be the case of the Government, since the Government bases its whole case upon the memorandum, I would like to make reference to the very admirable speech delivered prior to the adjournment by the hon. gentleman representing North Perth (Mr. Morphy). I congratulate him upon his sentiment when he says that no aspersions should be cast upon the loyalty of hon. gentlemen upon this side of the House. I think it is possible to discuss a question such as this simply as a question that affects the judgment of the members of this House, without accusing one another of disloyalty. It shall be my endeavour to deal with this question without affecting in any way the sensibilities of any hon. gentleman upon the other side of the House. Had the hon. member for North Perth contented himself with saying that he did not wish to cast any aspersion upon the loyalty of any hon. gentleman upon this side of the House he would have given expression to something that was known. But he qualified this statement. He said a moment afterwards, and almost in the same voice, that he could not possibly favour and this country did not favour, the idea of my right hon. friend the leader of the Opposition of creating a separatist navy. Was it really a separatist navy that my right hon. friend the leader of the Opposition had in mind? Was it really the idea which prompted my right hon. friend, the then Prime Minister, in bringing in his resolution of 1909? I will appeal to the hon. Minister of Trade and Commerce (Mr. Foster), the archangel of loyalty in this country, who spoke in this House in 1909, I do not think any hon. gentleman opposite or any supporters of theirs in the country will accuse the then hon. member for North Toronto, now the Minister of Trade and Commerce, of disloyalty. Let me quote to you, Mr. Speaker, the words of the hon. gentleman:

> The interest that we take in a contribution spent by another is not the interest that I desire for Canada. I want to see something grafted on the soil of Canada's nationhood.

I do not quote these words to criticise them; I believed then as I believe to-day that they are correct, and I do not believe that they are disloyal words. They are not the words of the leader of the Opposition but they are the words of the Minister of Trade and Commerce. He goes on to say:

> The point with me is as to whether it is not the greater wisdom to sow the seed at once and cultivate its growth as best we may.

The hon. member for North Perth was not in the House then, but we were, and we heard the words, and we did not think that the Minister of Trade and Commerce was then advocating a separatist navy; we thought he was giving expression to loyal sentiments towards the British Empire. But if the hon. member is not satisfied to take the Minister of Trade and Commerce as his mentor; if he is not satisfied with him as his preceptor in loyalty, let me ask him to listen to the words uttered by his leader, the present Prime Minister, on the same occasion in this House. Says the Right Hon. R. L. Borden:

> Acknowledged in every civilized community, recognized among all the great nations of the earth, the primal responsibility is the defence of their territories and the protection of their commerce.

Do not these words embody the principle of the amendment now proposed by the Right Hon. Sir Wilfrid Laurier. Were those disloyal words that were uttered by the Right Hon. Mr. Borden? Were we disloyal then because we applauded them and are we disloyal to-day because we continue to applaud them? But, the Right Hon. Mr. Borden did not content himself with these words; he went on to say:

> I am entirely of opinion in the first place that the proper line upon which we should proceed in that regard (in the defence of our territory) is the line of having a Canadian naval force of our own. I entirely believe in that. The other experiment (the experiment of contribution) has been tried as between Australia and the Mother Country, and it has not worked satisfactorily in any respect. In Great Britain the contribution has perhaps been regarded as rather unsatisfactory.

Does the hon. member think that these words of his leader embody any sentiment of disloyalty when he says that in Great Britain the contribution of Australia has perhaps been regarded as rather unsatisfactory. But, the right hon. the Prime Minister now, then the leader of the Opposition, did not think he gave sufficient emphasis to his views, and he proceeded to say:

> The unanimous voice of the people of Canada demands that we shall be in the Empire and of the Empire, and being in the Empire and of the Empire we must take our fair share of the burden of the naval defence of that Empire and particularly of our sea coasts.

Let me tell the hon. member for Perth that at that time the Right Hon. Mr. Borden was so loyal that he wanted to set aside one-half of the annual militia expenditure of this country, estimated then at six million dollars, for the defence of the British

Empire in building ships of our own. I might remind the Minister of Finance, whom I now see in his seat, that when the Right Hon. Sir Wilfrid Laurier presented his resolution in 1909—a resolution which was supported by all the members of the House—the only objection which Mr. Borden, then leader of the Opposition, had to that resolution was that he wanted the word 'speedy' added to it; he wanted a speedy construction of the ships in Canada. Do the hon. member for North Perth and his friends on the other side of the House think that the Right Hon. R. L. Borden was disloyal in that? I think I have said sufficient on that score to convince the Minister of Finance and the member for North Perth and other gentlemen opposite who were not then in the House, that if there was any disloyalty in the matter the disloyalty was not to be found on this side of the House, but rather with the exponents of the doctrine sitting on their own side of the House, which we have tried to carry out ever since.

The hon. member for North Ontario (Mr. Sharpe), speaking immediately before me in this debate, said that the Right Hon. Sir Wilfrid Laurier could not hold the province of Quebec on account of his naval policy. Let me tell the hon. member that the right hon. gentleman did hold the province of Quebec. He forgets that out of the sixty-five constituencies in that province forty sent members to this House ready and willing to do something for Canada and for the British Empire, and that the only men whom the leader of the Opposition could not convince of the necessity of doing something for Canada, and Canada as a country of the British Empire, are the men from the province of Quebec who are to-day in the arms of the Right Hon. Mr. Borden. It was not the province of Quebec which Sir Wilfrid Laurier could not hold to assist him in giving aid to the Motherland; it was that section of the Quebec representatives who do not believe in doing anything for the defence of this country or for the defence of the British Empire.

I shall now pass on to the consideration of the speech of the Minister of Trade and Commerce (Mr. Foster). That hon. gentleman said that we should adopt the proposal now before us on account of the need which existed in the British Empire. Before taking any stand upon the question I began to study what was the need of the British Empire. I could not find any need expressed in the terms of the Admiralty memorandum and I went to the finances of the United Kingdom and what did I find? I found that for 1911-12 the expenditure of the United Kingdom of Great Britain and Ireland was £178,545,000 sterling; and that their revenue was £185,000,000 sterling, leaving them a surplus of £6,540,000 or roughly speaking $32,725,000. I did not think that was an indication of any need of money on the part of the Motherland. I was not satisfied with that, and so I examined their national debt and I found that the national debt of the United Kingdom in 1911 was £733,072,609 and in 1912 it was reduced to £718,406,428, giving a reduction on the national debt for the year of £14,666,188 or $73,330,905 that might indicate to certain hon. gentlemen opposite a need. I do not see it in that way; on the contrary, I see great prosperity. I examined the naval expenditure of Great Britain and the naval expenditure of Germany. I found that in the United Kingdom last year they were able to spend over £45,000,000 sterling on the navy. They knew that the 400,000,000 people of the British Empire were at their back if they were in need. But they did not say they were in need at any time; on the contrary they said they were prosperous. Germany spent only £22,000,000 sterling on her navy—less than one-half what was spent by Great Britain. There is no indication here of any need on the part of the British Empire. But let me quote in support of the figures, the words of Right Hon. Lloyd George, Chancellor of the Exchequer:

> We have in these five ou six years wiped out more debt than any administration that every existed in this country.

Even to the imagination of the hon. Minister of Trade and Commerce there cannot be any indication there of need. If then, need is not shown in the financial condition of Great Britain, where is it to be found? I admit, that the English, the Scotch, the Irish taxpayers, complain that they have too much to pay for the navy, and I shall have a further word to say about that before I conclude. But if there is no need shown in the finances of Great Britain, where is that need? My right hon. friend the leader of the Government said we should find it in the memorandum, prepared by the Board of Admiralty. Let me examine for a few moments that memorandum, that we may know what it contains. It sets out by declaring that 'the Admiralty set the greatest store by the important material, and still more important moral assistance which it is within the power of Canada to give to maintaining British naval supremacy on the high seas.' I ask you to mark the words 'on the high seas.' It does not say 'in the home waters.' Now, let us proceed cautiously and analyze this first important statement. The Canadian Government offered to aid the British Government in matters of naval defence by one of two different systems. The first, the idea of the late government was to have Canadian units to co-operate in time of need with the British naval forces. The second, the idea of the present Government, denying the

efficacy of their predecessors' proposition, made the alternative suggestion of a contribution to the British navy of $35,000,000 by way of three dreadnoughts. The Board of Admiralty state emphatically that it is more important to give moral than material aid; the material aid it does not require. The memorandum sets forth in terms the fact that its naval programme is sufficient as against Germany up to the year 1920. So far there does not seem the slightest hint that the British Government requires any aid from Canada in money or the building of ships. It goes on to say how many ships they have and how many ships the German navy has. And then it states:

> It has been necessary within the past decade to concentrate the fleet mainly in home waters.
>
> In 1902, there were 160 British vessels on the overseas stations against 76 to-day.

In the next paragraph the Admiralty make two important statements. They state why they concentrated ships in home waters—they wished to obtain 'local superiority.' Why did they wish to maintain 'local superiority?' The memorandum states explicitly at page 7. It refers to the preamble of the German naval law of 1900, which concludes 'a great naval power will not be in a position to concentrate all its forces against us.' England decided that she would place herself in a position to concentrate her forces against Germany. I am sorry we are obliged to give out the secrets of the Board of Admiralty, but the right hon. Prime Minister has invited it. When England made up its mind to concentrate its forces in home waters, what did it do? It withdrew its ships from the overseas stations in order to gain 'local superiority.' What, then, does the Board of Admiralty tell us? It tells us what general naval supremacy is, and I would ask the special attention of hon. members to this:

> General naval supremacy consists in the power to defeat in battle and drive from the seas the strongest hostile navy or combination of hostile navies wherever they may be found.

England has not been working towards general naval supremacy but towards local superiority in home waters. Was that for the protection of the dominions of the Crown? Not at all, as the memorandum shows:

> It is the general——
>
> Not the local.
>
> —naval supremacy of Great Britain which is the primary safeguard of the security and interest of the great dominions of the Crown.

She can maintain her local superiority against Germany up till 1920 at least. But can she maintain her general naval supremacy, that supremacy which is 'the primary safeguard of the security and interests of the great dominions of the Crown'? What does she say to that? She answers the question:

> Further, at the present time and in the immediate future Great Britain has the power, by making special arrangements and mobilizing a portion of the reserves, to send, without courting disaster at home, an effective fleet of battleships and cruisers to unite with the Royal Australian navy and the British squadrons in China and the Pacific for the defence of British Columbia, Australia and New Zealand.

Sir Richard McBride saw that, if my hon. friend the Prime Minister did not, and the Premier of British Columbia knew that England was in a position to maintain her local superiority, and did not stand in need of empty ships. He knew also—and gave expression to the idea in the legislature—that England, whilst now in a position to maintain her general naval supremacy through a combination of the Australian navy and the British squadrons in China and the Pacific, might not always be able to do so, and he warned my hon. friend the Prime Minister to begin at once the construction of a navy for the protection of the coasts of this country—the very principle of the amendment introduced by my right hon. friend the leader of the Opposition.

Let us go a little further with the consideration of the famous memorandum which my right hon. friend and his colleagues claim to be the brief upon which they base the proposition before this House. If general naval supremacy is the safeguard of the interests of the overseas dominions, is it the duty of this House to help maintain England's local superiority when she tells us she does not want any such help; and that she has made provision, covering the period up to 1920, as against Germany, her greatest naval rival? The conclusion to be drawn from the memorandum is that it is the duty of this House to see that we in Canada do what we can to maintain the general naval supremacy of Great Britain. The conclusion we are bound to come to is that although England, by keeping part of her navy at the overseas stations, is able to defend her overseas dominions; the time has come to withdraw her ships from the overseas stations, and concentrate them in the home waters. And why? Because the German naval law stated that no naval power could do such a thing. Another conclusion, that the dominions, to continue the safeguard of their security, must see to the continuance of the general naval supremacy of Great Britain, seems to me to be the logical sequence of the Admiralty's statement. I have already defined general naval supremacy, but allow me once more to lay stress upon the words. Such supremacy consists in the power to

defeat in battle and drive from the high seas the strongest hostile navy or combination of navies, not in the home waters, but upon the high seas, wherever they may be found. Was that the idea of the British Admiralty in drawing up this document at the request of my hon. friend the Prime Minister? The British Admiralty asked for nothing, but received an offer. They do not want material assistance, but they do want moral assistance in order to maintain British naval supremacy, not in home waters, but on the high seas. To hon. gentlemen opposite it should be as clear as the letters of the alphabet that what England is seeking is the protection of the overseas stations, and not the increase in the number of her ships in the home waters and after giving to this memorandum much thought and consideration, I could not derive from its words any other idea. Having a desire to be convinced, I sought out the words of my hon. friend the Minister of Trade and Commerce as appearing in 'Hansard,' and what did I find? Listen for a moment:

> Sir, the question forces itself. Six and a half millions of people with their mighty heritage, and yet to-day no adequate defence in her great seaports from a third-class cruiser which might suddenly appear within her gates! It makes us think. We can excuse it; we can palliate it; we can laugh it off; we can say it is fanciful to put the question to ourselves just that way; that it ought to make us think and ought to make this Parliament think, and every good citizen of this country think.

And it did make us think! Here we have confirmation from the hon. Minister of Trade and Commerce of the fact that the conclusion I have drawn from the memorandum is the view the British Admiralty desires us to take of the matter.

I infer from the memorandum that England requires her navy at home, that we are safe for the immediate future on account of combinations which may be made in time of necessity, and that the overseas stations are inadequately protected. My right hon. friend thinks the solution to the difficulty lies in the borrowing from England of $35,000,000 in order to lend her $35,000,000 worth of empty ships, to be manned and maintained in England at the expense of the English, Scotch and Irish taxpayers. Let me ask hon. gentlemen opposite one question. England's local supremacy, you say, is guaranteed; you want to assure her general naval supremacy. England states that is the only thing you can do, and the only thing she desires to be done. You wish to do it generously and judiciously. England's overseas stations require protection, and you want to afford that protection. Did the Admiralty tell you seriously that the best way to protect the overseas stations was by sending empty ships into the Mersey? Did it not occur to the right hon. gentleman that if he wanted to obtain, for instance, the best possible protection for these national buildings in Ottawa, he would not obtain it by sending a squad of Dominion policemen to the city of Toronto to be paid for in Toronto, to be uniformed in Toronto and to be administered in Toronto, but to be recalled to Ottawa when the buildings might be in danger? Does it not appear to my hon. friend the Minister of Finance who comes from Toronto that the best protection to offer to the buildings in this city would be to keep his Dominion policemen around the buildings? He thinks that the best way to protect the overseas stations is to send a few empty ships across the ocean to be brought back here when those overseas stations would be attacked. Let me put it in another way. They want to be generous towards England, Scotland and Ireland. They want to relieve the British taxpayer. They say that the British taxpayer —in other words that the English, the Scotch and the Irish taxpayer—is overburdened with taxation. They want to relieve it. That is the only reason they have left; their emergency has gone up with their kite. The taxes remain. The English, Scotch or Irish taxpayer will still have to pay his taxes and my hon. friends opposite want to relieve him. How do they propose to relieve him? The English, Scotch and Irish taxpayer say: We have already too many taxes to pay for the upkeep of our navy. The Prime Minister says: That is true, you have, I agree with you, Canada must do her share; we will build three immense ships to cost $35,000,000 or more. We will send them over the sea. You will man them, pay for the manning of them, you will pay for their upkeep and we will help you increase your taxes by that amount. Of course that may be sentiment or that may be loyalty but I cannot see it is efficient help to the English, Scotch and Irish taxpayer. Let me put it another way: My right hon. friend says, I have lived in your house, you have been overgenerous to me; you have paid for my board and I want to do something in return. You say you have a mortgage on your house, that you cannot pay the interest on that mortgage. I will help you. I will build an addition to that house and I will place upon the addition a second mortgage so that you will have to pay not only the interest on the first mortgage which you say, to use my right hon. friend's words, weighs too heavily upon you but you will have to pay the interest on the second mortgage—and my right hon. friend the Prime Minister calls that loyalty to the British taxpayer. It may be, Sir, but it is not the loyalty which I conceive we owe the British Empire,

and it is not the loyalty which I wish to exercise towards the British taxpayer.

The hon. the Minister of Trade and Commerce says there is need, the finances of England show that there is absolutely no need, the memorandum shows that there is no need. But what do the people of England say? Let me quote from the Nation, a standard paper published in England—the only quotation which I shall offer. That paper says:

There is no naval necessity. There cannot be; for if there were, Mr. Churchill would deserve impeachment. What is there? Superfluity? Who dares ask the Canadian taxpayer to help us to more ships than we want, or the British taxpayer to keep them when they are built? But perhaps the necessity is not here, in European waters, but there, in the Pacific, at which indeed the Churchill memorandum plainly hints. But if so, why are these ships to be assigned to the central British fleet, instead of to the wardership of the Pacific coast? If there is a real and pressing need of the Motherland for added security against the German peril, no detachment of the Canadian ships from the North Sea is possible. And if (as, of course, is the fact) no strain exists on our shipbuilding or our financial resources, Sir Wilfrid Laurier's plan of building a national Canadian navy provides for any future relief which the central power may desire. The financial relief is obviously much greater. As the Borden offer stands, we shall, in the ordinary relations of debtor and creditor which exist between the two nations, lend Canada £7,000,000, for she cannot fairly be expected to meet this 'emergency' expense out of new taxation. This sum she expends in three semi-detached 'dreadnoughts,' which we, again, are to man and maintain. The one cost balances the other, even if the expense of manning does not exceed the interest on our loan. Thus we (at the Admiralty's suggestion) lend Canada money so that she may lend us ships, which we (on the Admiralty's showing) do not really want. The Laurier plan would have relieved us of the embarrassment of this ungracious bookkeeping. Canada would have had her ships instead of lending them to us on a running account, subject to withdrawal, and would yet have made a handsome and definite contribution to Imperial defence. It is not necessary to know why, with these advantages clearly in view, the Imperial Government, having accepted Sir Wilfrid Laurier's view of Canada's naval responsibilities, should revert to Mr. Borden's less signal logical and less practical plan.

I leave that part of my remarks there with the opinion of the English press supporting it. I maintain that the Government measure is unconstitutional. It is unconstitutional, not on account of the form in which my right hon. friend brought it into this House, but because we, the representatives of the people, have not been given the mandate necessary to change the relations which exist to-day between this country and the British Empire. It is unconstitutional because this country has not got the right to send $35,000,000 to the British Empire, even by way of ships, without a specific mandate to that effect from the people of Canada. I claim that it is illogical. The Prime Minister says that in compensation for the $35,000,000 we will get representation upon the Committee of Imperial Defence. This subject will come up later, but let me say that the Prime Minister is no doubt aware that the Committee upon Imperial Defence, where he seeks a seat, has about one-half the power of a committee of the British House of Commons. If he wanted representation worth while he would do better to go and seek representation upon a committee of the British House of Commons rather than upon the Imperial Defence Committee.

The right hon. gentleman was in London in July, 1912. I have no doubt that he was in the House of Commons and listened to the Right Hon. Mr. Asquith's speech on the functions of the Committee of Imperial Defence. In case he has forgotten Mr. Asquith's words, let me give them for his benefit, for the benefit of the hon. members of this House, and for the benefit of the country. We want to know something of what this Committee of Imperial Defence means. Here is what Mr. Asquith said:

The functions of the committee have on the one hand, no reference to policy; policy must be determined by that Cabinet; and on the other hand it is not in any sense an executive, because, both as regards the army and the navy, the executive responsibility lies in the one case with the Secretary of State, and in the other with the First Lord of the Admiralty.

So that, if there is no emergency—and he himself has seen that there is no emergency, because otherwise he would not have allowed so much time to elapse before proceeding with this debate—if he is convinced there is no emergency, as I know he is by the memorandum of the Board of Admiralty—because he is a very able lawyer—he is quite willing to give $35,000,000 for representation on the Committee of Imperial defence, which has absolutely no power over policy and no executive power. My right hon. friend did not need to give $35,000,000 for a seat on the Committee of Imperial Defence. That was not the idea he had in his mind as to representation. What has made him change his mind? He wanted representation in a council where there would be some power affecting policy.

Let me quote his very words. Speaking in this House he said this:

If Canada and any of the other dominions of the Empire are to take their part as nations of this Empire in the defence of the Empire as a whole, shall it be said that we, contributing to that defence of the whole Empire, shall have absolutely, as citizens of this country, no voice whatever in the councils of the Empire touching the issues of peace or

war throughout the Empire? I do not think that such would be a tolerable position. I do not think the people of Canada would for one moment submit to such a condition.

Now that the Prime Minister of England says you can have a seat upon the Committee of Imperial Defence, which has no power over policy, my right hon. friend abandons his glorious ideas to which he gave expression in this House, and immediately says: 'If that is all I can get, I am quite willing to take it.' Does the right hon. gentleman not know that England will never share the power she now holds over matters concerning policy? Why, therein lies the greatness and the power of England. Let me quote again for the satisfaction of my right hon. friend the words of Mr. Asquith at the Imperial conference when Sir Joseph Ward had the very same ideas as my right hon. friend. What did Sir Joseph Ward's proposal come to? It was the same proposal as my right hon. friend's. I might describe the effect of it without going into details. This is what Mr. Asquith then said:

> It would impair if not altogether destroy the authority of the Government of the United Kingdom in such great matters as the conduct of foreign policy, the conclusion of peace treaties, the declaration and maintenance of peace, or the declaration of war; and indeed, all those relations with foreign powers necessarily are of the most delicate character which are now in the hands of the Imperial Government, subject to its responsibility to the Imperial Parliament.

That authority could not be shared, and neither my right hon. friend the Prime Minister nor his Government will ever succeed in getting England to share its power over the policy of the United Kingdom of Great Britain and Ireland.

The last and only argument which my right hon. friend has to offer to the people of the country in support of his proposals is that he might get representation in a committee which has absolutely no power whatever except to give advice to the First Lord of the Admiralty, which advice might be accepted or rejected, thrown into the waste paper basket or put in a pigeon hole. Therefore, because of the illogical conclusion which the Government has reached in its study of the memorandum, and because of the unconstitutionality of the Government asking powers not included in the general mandate conferred upon members of this House, I oppose the Government measure, and I insist that it is the Government's duty to appeal to the people for confirmation of its proposed action. If the right hon. the Prime Minister feels that he has the backing of the country in his proposals, why does he not go before the people of Canada and ask them to confirm the action of his Government? When reciprocity was brought into this House the then Opposition asked the Government to appeal to the people to find out whether they were behind them in that proposal. The late Government accepted the invitation of the then Opposition and appealed to the people of Canada for confirmation. Now, we issue the same invitation to my right hon. friend the leader of the Government. We ask him to appeal to the people, and we on this side of the House will go before the people confident that they will support the amendment of my right hon. friend the leader of the Opposition. I have very much pleasure in supporting that amendment, because I believe in the necessity of self-defence, and that the time has come for Canada to assume her share in Imperial defence by building, equipping and maintaining her own navy for the protection of the people of this country, so that in time of need she may aid in the maintenance of the solidity of the great Empire of which she forms a part and of the Crown which is the emblem of the liberty of all races and all creeds in this country. As long as I have a seat in this House I will do all that I believe possible, within my judgment, in conjunction with any or either party, to uphold the dignity of this country as a member of the greatest Empire in the world—not an Empire in need, as the Prime Minister would have us believe, but a great, a strong, a growing, a prosperous Empire. We upon this side of the House, I think, are at one in the determination to continue to maintain the position which we took in 1909, to insist upon the building of a Canadian navy to defend the people and territory of this country, as a country within the British Empire, and, in time of need, if the British Empire should ever be in need, to co-operate with the other countries of the Empire.

Mr. W. F. MACLEAN (South York): Mr. Speaker, if it were not superfluous, I would like to congratulate the hon. gentleman (Mr. Devlin), who has just taken his seat, on his oratory and patriotism. Having said that much, I intend to crave the indulgence of the House for a very short time while I discuss this question from perhaps a new standpoint and refer to one or two questions that have rather escaped the attention of those who have debated the subject up to the present moment. First, I would like to refer to the question of a referendum. I notice that a great many in Canada, and especially the people who are in the West, and that portion of the people in the West who are organized as the Grain Growers' Association have, on recent occasions, made declarations in favour of a referendum to the people upon this question. While I am a believer in the referen-

dum, I am not a believer in a referendum on a matter of this kind. To me the safety of the nation is the supreme law and the safety of the nation has to be in the keeping of Parliament and especially in the keeping of the Government of the day. Not for one moment do I see how it would be possible to relegate this question of supreme importance, namely, the safety of the nation, to the vote of the people. We in this House every day pray that Providence may assist the King to vanquish and overcome all his enemies, and, if we live up to that prayer, it is our first duty to our country to take the responsibility of the defence of the country. The Privy Councillor, in his oath of office, is sworn before everything else to maintain the King's supremacy and the safety of the King's subjects and, that being the case, and that being the universal practice wherever British institutions prevail, it would be an absolutely new departure if a question of this supreme importance, in any phase of it, should be referred to the opinion of the people. The responsibility is on Parliament and the responsibility is on the dominant party of the day to maintain the defence of the country in every quarter. We would be poltroons in this House if we had not the courage to represent the nation on so important a question as this. We cannot escape our responsibility, nor can the people assume that responsibility and carry on our parliamentary institutions such as they are to-day.

It will first be necessary, if we are to have the referendum in this country, to have it started by parliamentary and constitutional definition what the extent of the referendum is to be, and how the vote of the people on any question referred to them is to be carried out and crystallized into legislation. We have no such provision as that at the present time. One of the things that we might take up, that we ought to take up, if we believe in the principle, is the question of defining the extent of the referendum and to what questions it might be applied. There are a great many questions that might be referred to the people, and they would form the basis of such progressive legislation as the country requires. The question of parcel post, that we had up for discussion in this House the other day, is a good question to refer to the people. There are social subjects, like the drink evil. We once did refer that question to all Canada, yet we paid no respect to the declaration of the people at that time. Many other questions could be referred to the people for their opinion—public ownership with regard to telephone and many questions like that. There are social questions that ought to go to the people without being encumbered by any other questions. It would be a good thing if we had a referendum upon all these questions and if we were governed by the results.

But, it must first be arranged for by a constitutional definition and when it is defined we must also set out to what questions it will apply. Certainly, it does not apply to defence of the country. The responsibility is especially upon the Government, it is upon Parliament, and we cannot contract ourselves out of that responsibility in any way. We must assume it and I am glad that at last the Parliament of Canada have come to a consideration of this supreme question. It was our duty to take it up. We were unworthy to call ourselves Canadians and members of the British Empire so long as we sat quietly here and saw the good old Motherland defend the Empire and the poor struggling taxpayers of the Mother Country supporting the weight of taxation necessary for the defence of the Empire and especially for the defence of the people of Canada. To-day for the first time, I can hold up my head as a Canadian and can talk with some purpose as a member of the Empire, as I purpose to talk, for a few moments, in regard to the great questions which agitate Europe to-day and which concern us more or less in connection with the defence of the Empire.

Having got that far, I propose now for a moment to take up this particular policy which is before us. The first thing I wish to say is that this policy to me is no temporary policy. It is an absolute permanent policy upon which we as Canadians are entering. The resolution based upon a money grant which has been brought into this House is the beginning of a great permanent policy on the part of Canada, by her sharing in the naval defence or any other defence of the whole Empire, Canada included.

Mr. MACDONALD: What is the permanent policy?

Mr. MACLEAN: This may be not a very wide policy, but it will develop. It is the beginning of a permanent policy.

Mr. MACDONALD: What kind of a permanent policy?

Mr. MACLEAN: A permanent policy to this extent that it is a confession for the first time that the people of Canada, through their Parliament, admit their responsibility to the Empire for the defence of the Empire and for their contribution to that end. Once having entered upon that policy—

Mr. MACDONALD: That is not a policy.

Mr. MACLEAN: Let the hon. gentleman bear with me for a moment. It is the

beginning of a permanent policy; it is a vote of money and it is a declaration of faith, and it is the first time we have ever gone that far—no, not the first time, for we have had the policy of the former Government. But here we have today a vote of money for the defence of the Empire, we have a declaration of faith, and it is the beginning of a great permanent policy. We cannot withdraw from what we are doing here today or reconsider or remit it to the people, ever after there must be a naval policy in this country which more or less must be based on what we are doing here today. We are beginning it now and we must continue it.

Mr. MACDONALD: Continue a contribution.

Mr. MACLEAN: No, let the hon. gentleman speak for himself and I will speak for myself. It is the beginning of a permanent policy, which will be continued from this time on, and it is because it is the beginning of a permanent policy that I, as a Canadian, rejoice to see it begin and I hope to see it kept up, and developed and strengthened hereafter. I will give you one or two instances to show that it is the beginning of a permanent policy. The conversations that took place between the Prime Minister of Canada and his associates and the Prime Minister of Great Britain and his associates all confirm my statement. There would have been no such conversations, and the documents which have passed, and the agreement that Canada is to have a seat in the Committee of Defence, and the promise that shipbuilding on behalf of the British navy is very shortly to be undertaken in Canada, all go to show that it is the beginning of a permanent policy. The vote of money we are making, this declaration of faith that is now taking place in this House, and, most of all, the far-reaching resolution of the right hon. the leader of the Opposition, have converted it into an absolutely permanent policy; and we are in it now and for all time and I thank God we are in it now and for all time and that we will have a continuous permanent policy in line of maintaining the defences of the Empire. When I hear it said that this is a temporary measure and that it is based on emergency, it has no great value to me from that point of view, but it has immense value to me inasmuch as I regard it to be part of a permanent policy and therefore enabling us to have a voice in questions that we have a great interest in.

Mr. MACDONALD: Does the hon. gentleman think that Australia is very badly treated within the Empire, because while she does her part in the way of naval defence she has not asked and is not receiving any position where she has a voice as to the wars of the Empire?

Mr. MACLEAN: I will deal with that matter later; I wish to make my argument now and my argument is that I regard this as a permanent policy and it being almost our first declaration of faith, I would like to see it a unanimous policy. One hundred and thirty years ago there was a little book published in England by an English squire, who didn't think it worth while to put his name to the first edition; it was written on the grand old sport of fox-hunting as it is carried on in England, and in one of the chapters this squire, good old Peter Beckford, discusses the excellence of the sport, and he especially dilates on a good pack of foxhounds working in the field and he says:

> I like to see them run like the horses of the sun all abreast.

And so, Mr. Speaker, I would like to see all the parties in this House run like the horses of the sun, all abreast to the defence of the British Empire. Not only that, but I would like to see all the outlying dominions, and we will see them: Canada, Australia, New Zealand, South Africa running like the horses of the sun, all abreast for the defence of the Empire. And Sir, in some way we must come to that unity and we must all run abreast.

Mr. LEMIEUX: Were they not all running abreast in 1909?

Mr. MACLEAN: I hope the hon. gentleman (Mr. Lemieux) will try to help this movement, and I trust that the running all abreast will not be confined to Canada but that it will include all the outlying dominions of the Motherland. We are going into this thing, not so much at the present moment to build dreadnoughts or to do this or that, as to make a declaration of faith and to make that declaration of faith to all the world that Canada, New Zealand, Australia, South Africa, are running like the horses of the sun all abreast to the defense of the Motherland. I would like to see it that all parties in this House and all the people of Canada, should voice their faith by some kind of unanimous declaration, not only that we are to help with money as this vote proposes, but that later on we are to help with ships, with men, with the development of the Canadian navy, and with a policy, the basis of which is the creation of sea power by Canada on the North American continent.

Mr. TURRIFF: We made that declaration four years ago.

Mr. MACLEAN: I know that declaration has been made and I do not want to interfere with it, and I would like to see it carried out and to the point.

Mr. LEMIEUX: Some of your friends are too foxy.

Mr. SCHAFFNER: We fixed you all right.

Mr. MACLEAN: Now, I want to say why I believe we should all declare our faith as to our responsibility for the defence of the Empire and what will be the result of such action on our part. All the world is to-day watching southeastern Europe and the war between Turkey and the Balkan States. I have often wished that we could in this House of Commons express some opinion as to what is going on in Europe. In the British House of Commons it is the right of members to speak more or less on these questions, but have been precluded from discussing some of the questions that are up in Europe and which in my mind are of vital importance to us. This great struggle for liberty is now on in southeastern Europe. That is a struggle for better government. It is a mighty movement of the people concerned, native races, Christian races, to recover their liberty, liberty of country, and liberty of conscience, against an invasion, I will not say of heathen people, but of people altogether different from them in religion. These struggling people have always had the sympathy of the democracy of America. But we have never been able to send a message of sympathy to them; even the democracy of the United States in nearly every case has been precluded from sending them a message of sympathy. But, to-day, with this vote of ours which, in a way makes us responsible for the peace of Europe, we can send a message to these people of sympathy. And more, we can send an intimation to the great powers of Europe that they must clean up and clear up the situation there and allow these people the freedom to which they are entitled. In this I express, I am quite sure, the mind of the people of Canada, and, if I may speak for the democracy of Canada and of the United States, I have a right to demand the establishment in the near east of a better condition of affairs. Great Britain to-day has the leadership in the near eastern situation. And we have a right to say to Great Britain: Now that we have entered upon a policy of assisting you in your defence, and especially in the matter of defence arising out of these burning questions that exist in the near east, it is your duty to go ahead and clear up that situation and see that these nations that are struggling for liberty are given that liberty without delay. Who would have said, even sixty days ago, that this movement of the people in the Balkan countries was likely to succeed? But the people have gone ahead there; they have fought for their liberty, and a little more sympathy, a little more progressive action on the part of Great Britain, a declaration from us on our part that we wish to see these people made free, will go a long way towards establishing liberty in that part of the world. And for the first time, by reason of this vote, I have the right to say that in this House. Some will say to me: Why is that a vital issue to you in Canada? Every month in the year there are hundreds of these people coming to Canada and becoming our citizens—Greeks, Roumanians, Albanians and others. These people are coming, and coming in constantly increasing numbers; and the sooner they come to us with the seed of liberty in their minds and a knowledge of their rights as citizens, the better citizens they will be for Canada. And again I say as a Canadian, to the powers of Europe: Clear up the situation thereof; the democracy of America and the democracy of Canada demand it. And the democracy of Canada says to the Motherland: Clear up that situation; let these abuses that have disgraced civilization for four hundred years cease, and cease forever.

Mr. OLIVER: Is not the hon. gentleman aware that civilized Europe to-day is protecting the Turks?

Mr. MACLEAN: If the hon. gentleman is aware of it, he ought to speak out against it, as I am doing. But this vote gives me the opportunity to rise in this House and speak against it. Similar things are going on in Russia that have caused interference on the part of the people in the United States. The people of the United States have found a way to resent the unfair attitude of Russia towards Jewish citizens of the United States who have gone back to Russia. And they are resenting it to-day, and the democracy of America to-day is becoming a powerful means to improve the condition of the people of Europe and to establish peace.

Now, I come to another question; and because of this vote, I am enabled to state my views on that question in this House to-day. It is a question which affects us very closely—the question of the expansion of the German Empire. That is the great question in Europe to-day, and in that question we have a vital interest. It comes home to us all the more closely now that we are more or less embarked on the defence of the Empire, and therefore more or less involved in European politics. Now, is there anything that we can say in regard to this question of the expansion of the German Empire? The German people have grown to great proportions; their country is

overflowing. To my mind, they have a right—using a phrase of to-day—they have a right to 'come into the sun.' And if the Germans can come into the sun, march into it or sail into it, and find a place where they can hang up their coat, they should have the right to do it, providing there does not happen to be a Canadian or an Australian Stetson already hanging on the peg. Now, if Germany has the right to expand, have we any vital interest in regard to that? In this case also I aspire to speak for the democracies of Canada and the United States. There is a large democratic element in Germany, and I have the authority of an American writer for saying that there are many other democracies in Europe. Now, the one thing that animates the democracy of Europe is the desire to get rid of this awful condition of militarism that exists to-day. That is the object of the democracies of Europe, and the democracies of America should do what they can to promote that great end. Can we, by reason of this vote, do anything to that end? At least we can say this much to England: That some of us in Canada think, now that we are voting this money, that it ought to be possible to find a way to permit German expansion without in any way interfering with the supremacy on the seas of the British Empire. And we can convey the message to Germany, especially to the democracy of Germany, that we hold that Germany has the right to expand, and that that expansion should take the shape of the creation of a great German democracy in some place overseas. If this were done the German dread would be largely removed, and therefore it is worth our study to bring this about if possible.

Sir WILFRID LAURIER: What is the way?

Mr. MACLEAN: Well, we have in America a very peculiar dogma which has been afloat on this continent for about one hundred years, the Munroe Doctrine, as it is called—the doctrine that no European powers outside of those now on this continent shall have any right in America, especially the right of settlement. If Germany can find a way for expansion by the settlement of a portion of South America, she ought to be allowed to do it.

Sir WILFRID LAURIER: South America might object.

Mr. MACLEAN: Then South America must look out for herself. The right hon. gentleman will not say there is not room in South America for the development of a great German democracy, and the creation of a safety valve for European trade—for the establishment of an Atlantic trade service between European Germany and Germany in South America would be such a safety valve. There is no reason why the people of the United States, under the Monroe Doctrine, should object to the settlement of a great German community or democracy in South America, and, if such a condition existed, this fear of a German invasion of England would be largely removed. The Germans would have their thoughts diverted to other matters; the struggle would be not for naval or military supremacy but for the development of their new territorial possessions. There is room in South America for millions of people; the wheat fields of that country are of a quality equal to and perhaps better than those of Canada, and cattle raising is carried on to an enormous extent. The development of a rivalry in trade would, as I have said, cause the people to think a great deal less of war. Is there any other possibility of German expansion? How would it do to let Germany have access to the wheat fields of south eastern Europe—Persia for instance? There are people in Great Britain who might object to such a proposition, and even other countries might oppose it—

Mr. LEMIEUX: Perhaps Russia.

Mr. MACLEAN: Yes, perhaps Russia.

Sir WILFRID LAURIER: Perhaps Persia also.

Mr. MACLEAN: Persia might have some objection, but if this German scare is a menace—and it is a menace, and for that reason we are talking about it—we have a right to discuss it fully and make any suggestions as to its solution.

Mr. LEMIEUX: Does my hon. friend not think that Canadians would prove themselves better patriots by exercising their activities towards the solution of the wheat problem in the Canadian West rather than directing their attention to Persia?

Mr. MACLEAN: The hon. gentleman is facetious, but I am trying to be earnest. When the hon. gentleman was Postmaster General he was so facetious in discussing questions coming up at that time that he is not now trying to be earnest in regard to these same questions—parcel post for one.

Mr. OLIVER: Does the hon. gentleman see anything facetious in the present wheat situation in the West?

Mr. MACLEAN: No, and if the hon. gentleman had supported me when I raised the wheat question in this House, especially with regard to the enormous increase in ocean freight traffic, possibly the matter would be nearer solution than it is to-day.

Mr. OLIVER: So it would if the gentleman had supported us.

Mr. MACLEAN: Evidently we have different views. However, with regard to the matter under discussion, I may say that I believe in a Canadian navy because it is essential for the country. I further believe that we can build and man a navy, and that Canada is destined to be one of the greatest ship-building centres in the world. We have the iron, the steel, the coal; we have the workmen, the sites for the shipyards, and other necessary facilities. As a matter of fact, the Prime Minister of England has made a statement to the effect that he is prepared to give us, in due time, the contracts for the building of some ships. It has been said that it would take a very long time to effect the establishment of conditions necessary to successful ship-building in Canada, but I think its progress would be rapid after it had been fairly started. It is possible to make a contract for the transfer of a great ship-building yard from Ireland, Scotland, or England, and bring it bodily to one of our Canadian ports. We can improve the naval college created by the late Administration and train officers and men for the navy. We can supply electrical experts, and can find employment in Canada for men of the Imperial naval reserve, many of whom find it difficult to make a living in the Old Country. They are model citizens, and we could make good use of them. We can have great ship-building industries not only on the Atlantic, but on the Pacific, and the general policy encouraging ship-building in this country should be actively adopted, first, to aid in the defence of the country, and, second, to enable us to supplement our railways by carrying our own farm products to the markets of Europe. The Canadian navy is no bugaboo to me. I have always been in favour of it, and I voted for the policy of the late Government in that regard. I have not since changed my views, and I trust that the policy we are now discussing will develop into one which will provide for a Canadian navy for Canada. I even go so far as to say that I am in favour of naval conscription in this country, because if we believe in the naval defence of the country we should be prepared to man our ships with our own men. I am told we will have to hire these men. I will undertake the responsibility of organizing Canadian youth so that they will gladly go into the defence of their country in connection with the navy and there will be no trouble about it, but that has to be done now, right away, and it may involve some money, it may involve training schools, and it may, in a way, involve the question of some kind of conscription. But there is no trouble to build ships in this country or to get men to man them if you go the right way about it and spend your money to that end, but the policy must be to that end. Above all, it must be based on an appreciation of the fact that sea power is absolutely necessary for us and for the maintenance of the supremacy of the British Empire. I believe in the maintenance of the supremacy of the British Empire, because it does stand to-day for the idea of progress and the uplift of humanity, for good government, for everything that is elevating and in some way makes for the improvement of humanity at large and because we have political institutions which are more or less endangered and which, if they are endangered, we are bound to defend. What is our position now? We are not a mere colony of Great Britain existing on the Atlantic coast as we once were, we are on this great continent of North America and there are 100,000,000 and more people speaking the English language on this North American continent That continent has become very powerful and we, as Canadians, instead of being a mere strip on the Atlantic coast, have spread across the continent and we look upon the Pacific, we look upon the two seas. We have an interest in the Atlantic, but the interest we have in the Atlantic is as nothing compared to that great interest that is coming in the Pacific. Canada seems to have a mighty destiny ahead of her. She is on the two oceans, she is on the inter-continent and the inter-continental ways run across her. Europe is pigmy compared to the Orient and Australasia on the Pacific. In some way we have got to play a part because of our position between those great continents, the one to the east and the one on the west and if we are to play our part it is absolutely necessary that we have sea power in this country because the dominion is on the sea and the world's questions will be fought out at sea. There may be an issue, not the issue of a German peril, but the issue of a yellow peril, or even whether the white race is to maintain its own on the North American Pacific coast.

All of these questions are coming up, and we must be prepared to play our part in them. The united voice of British Columbia to-day is that we must have sea power, and that the Pacific problems are the great problems which they must soon face, and therefore they want to see sea power in Canada, they want to see shipbuilding on their coast and they wish to see a great Canadian marine established.

It is a surprising thing—and yet it is not surprising when you talk about the destiny of Canada, to see how the Canadian marine has grown of late on these two great oceans. Look at the interest the ports of Montreal, Halifax and St. John have in regard to the trade of the Atlantic. Look at the number of ships there are now, Canadian ships, controlled in Canada, and

the still greater ambitions of Canadian ship owners to enter every sea. Look what is going on on the Pacific, how the lines are developing there; look what is going on in connection with the Panama canal in a few months. The whole world is being turned upside down and the centre of the world is going to be on this North American contintent, the centre of the world in this century is coming to this continent and the nation and the people on this continent that has sea power and can build ships and sail ships and man ships, and whose people are in alliance with and maintain the great sea power of the Old Land and its traditions will be the people of the twenty-first century. I cannot subscribe to the doctrine that Canada should not have sea-power, that she should not have a navy, that she should not build ships. Not for one moment do I say that the resolution before the House is contrary to the policy I am advocating; it may contain within it, I hope it does contain within it, a further development on the line of naval defence in the way of Canadian ships, Canadian seamen, a Canadian navy and an absolute belief that Canada, to play her part on this continent, must have sea power, must study sea power and know all about it as long as that may happen to be the dominant factor in the settlement of the politics of the world.

If what I have said is true, and it is so pregnant for the future, is there not some way in which we can all get together, even in this House, on this question? That is a question of the greatest importance to me. Cannot we get together in saying that we are ready not only to vote our money but to co-operate in helping to organize a navy in the direction of naval defence, beginning our naval defence, our naval ship-building in a modest kind of way, but somewhat on the lines of our fellow-countrymen in British Columbia? We must have some kind of a fleet on the Pacific and some kind of a fleet on the Atlantic. We can have our ships, dreadnoughts it may be, at the supreme point of danger, wherever the point of concentration of the bulk of the British navy is. But it is not inconsonant with that that we should begin the development of a navy here, to cultivate a naval spirit, to bring up our young men to seafaring, to consecrate a portion of our youth to the defence of the country, to teach them all about navigation, to teach them even how to fight because, the peace of the world and the elevation of humanity for many years to come must depend upon the big policeman and the big policeman to-day is the big warship. These things must be maintained, we must have great warships and we must also have smaller ships for coastal defence, for fishery protection, for doing our share probably of the general defence of the Empire and if that is true, and everyone must admit that it is true, then we must begin now and I believe we are beginning now by this vote, the beginning not only of a contribution but what is of more importance to me the beginning of the creation of a real Canadian navy which will grow as fast as the circumstances will require, and which, growing as it will, will also aid in the development of our country from a business point of view. We must have thousands of tons of ships built for the use of Canada's commercial marine in the next few years, and they can only be built by beginning to build them. I have before this quoted the old Greek proverb 'To play upon the harp you must play upon the harp.' To have a navy you must start to have a navy. You must teach your sons to fight in the navy; you must put them in the navy, feed them, pay them well and treat them well. If you do that you will have the beginning of sea power on this continent.

The mighty circumstances that are weaving the destiny of nations to-day all point to the centre of the British Empire gradually coming to North America. That is not quite a dream. When Canada has concentrated 50,000,000 of people, as she will do so soon—and if the United States with her 100,000,000 does not grow more quickly, Canada will soon have 100,000,000—the centre of the Empire will be here and the centre of British influence will be in North America. But if it is, it will be based absolutely on sea power, if sea power happens to be in those days a factor in the matter. I have said before that there are some things that might interfere. There is the spread of democracy, and the cardinal principle of democracy, which is against fighting, and which is now going ahead in a great way in Europe, might eventually lead, as I hope it may, more or less in the direction of peace. But until that day arrives we have to think of fighting; we have to think of militancy, and when you think of being militant, you have to look at it from the sea point of view. I want to see this country go in for sea power and for a naval policy, but I do hope that before the vote is taken a way will be found for the members of this House representing all the people of Canada, to go like the horses of the sun all abreast. I cannot repeat that too often, as it is what the people of Canada want to see. They want to see us going like the horses of the sun, all abreast, on this question, instead of making it a poor miserable party question in the House of Commons. Now there ought to be a way of getting together.

Mr. MACDONALD: What do you suggest?

Mr. MACLEAN: I cannot suggest. I would not like to be presumptuous even if I could suggest, but there is a way. Every time I go home, I meet prominent men who talk about it, and I have been approached by some of them who have been working to this end. I hope that before it goes to a vote, and I am not afraid of the consequences of the vote whatever it may be, a way will be found by which this House can get together in this, which is a declaration of our faith and belief, just as much as my right hon. friend's policy of three or four years ago was a very advanced declaration in that matter. It is a hard thing, and it needs a lot of work. There is a good deal of stumbling, and there has been a good deal of stumbling on the part of leaders of both sides in this matter but we are gradually coming out right, and we are coming out on top. If we can get together now, the effect of the vote will be ever so much greater than if it were a party vote. It is not a question of $35,000,000, and it is not because it is for dreadnoughts. In every way you can pick holes in this thing, but the declaration of faith before the people of the world that Canada is with the Motherland, and that Australia, New Zealand and South Africa are with the Motherland, would be the value of the vote. It would have a great moral effect that you cannot read into millions or into ship tonnage or anything of that kind. It is because of its supreme value in that respect that I again make an appeal to the members to try to get together, to forget differences, and to allow in some way this vote to go out to the world as the united voice of the people of Canada, showing that the people of Canada are prepared to give their money and their best endeavour, and to contribute their sons and their ships to a navy for the defence of the Empire at large and for the creation of a navy for the defence of our country at home.

Hon. H. S. BELAND (Beauce): A rumour has been circulated this afternoon that our friends on the other side of the House would not share any longer in the discussion of this important matter. It was only last night that my hon. friend from Red Deer referred to a serious case of dumbness on the Government benches. If the rumour is true, the trouble is getting more serious, because this would be a case of aphasia, and aphasia is a symptom of paralysis. We know that the Conservative party have of late gone through a weak spell, but we had not thought that this great party was paralysed. My hon. friend from South York would contradict the rumour if only he could be considered an orthodox member of the Conservative party, but after listening to his declaration I have some doubt about that. I agree with many things that my hon. friend from South York said, particularly with his declaration that this proposal of the right hon. gentleman who leads the Government is a declaration of faith. I myself believe, and have believed all along, that this was a declaration of faith, a declaration of imperialistic faith. I agree with my hon. friend also when he says he is in favour of a Canadian navy and of sea power in this country. My hon. friend said: Cannot we be of one opinion? Certainly, Mr. Speaker, we can be of one opinion; we were all of one opinion at one time —in this country. My hon. friend from South York is consistent with that which he advocated then, and if he will use his influence, which I think must be large, with his colleagues on the other side, and bring them over to the policy of 1909, then all the foxes will run abreast. Though this debate has been going on for many days and reasons which militate in favour of the Government proposals have been set before the House, I would feel remiss in my duty if I did not take this opportunity of saying, in as few words as it is possible for me to do, the reasons why I should object to these proposals. I would like to point out the inconsistency of the Government party, the inefficiency of their policy, the necessity for the creation of sea power in this country and also the dangers with which the Government policy is replete. The problem which confronts the Canadian Parliament to-day is a problem of defence by sea coupled, I think, with a political problem. The problem of defence by land was solved in this country some fifty years ago and all through the agitation and discussion over the solution of the problem of defence by land the dominating idea was the Canadian idea. Since that time no statesman, from Sir John Macdonald down, no man in this country, I venture to say, has advocated any other idea regarding the control and administration of the militia forces. For reasons that are obvious in a young country, seriously engaged in the development of its enormous resources, reasons which, I think, it would be idle for me to refer to at this stage, Canada was not confronted with the problem of defence by sea until 1902 when it was submitted to the Imperial conference in London. At that time my honoured leader, who was then the Prime Minister of Canada, referred to the work accomplished in this country in reference to territorial defence, and intimated the intention of his government to advert to the naval side of defence as well. Let me say here, Mr. Speaker, that no fault was found with the position taken by my right hon. friend.

Since 1887, from the first Imperial conference in London down to the conference of 1909, the people of this country have always

countenanced the position taken in these conferences by the representatives of Canada. It is true that my hon. friend the Minister of Trade and Commerce (Mr. Foster), a few years ago, presented to this House what I would call a very thorough compendium of the results accomplished by the different conferences and he did it in no contentious spirit and without any partisanship whatever. In 1909 this House was unanimous on certain principles concerning naval defence. Why was it unanimous? —because the resolution which we then adopted gave expression to one of the noblest sentiments in the hearts of the citizens of the country, the sentiment of the preservation of a common heritage, and because also it affirmed as a corollary to the principle, the principle of organizing speedily, immediately, a system of defence by sea. Canada would not escape the responsibility inherent in her as a nation. The example of all nations was before her. Smaller in area than Canada, nations have navies of their own, smaller in population than Canada, countries have navies of their own.

It is true that you will find nowadays people who will extol the arts of peace, who will curse war and armaments and who will contend that this is the era of peace, and that all international conflicts should be submitted to arbitration. Well and good, but although peace has been preached for nineteen hundred years in this world, people on earth have not yet come to the conclusion that they should settle all their differences by arbitration. So, we have to provide armaments—armaments by land and armaments by sea. In 1909 we were unanimous. It was at a time when there existed in the Old Country a scare. It was immediately after that famous speech delivered by the First Lord of the Admiralty, who was then Mr. McKenna, a thrilling speech, an alarmist speech, which created a great sensation in England. At that moment we accepted the idea that the best thing for Canada to do was to organize a naval defence of her own. When you come to speak to the ordinary people of war and armaments you arouse a feeling of repulsion and naturally so especially in a country which has been at peace for a hundred years. After the Naval Bill was adopted in this House and by this Parliament a work of education was necessary. Although we differed on certain matters, the principle of a Canadian navy was recognized and recognized by the Liberal party and by the Conservative party. It happened that an election was held in the province of Quebec, and, by the way, it was the first time that the naval issue was brought before the people. The campaign was carried on between two parties. I believe it was between the Liberal party on the one side and the Conservative party on the other side though some people may think that the Conservative party had not anything to do with it. I remember that during the course of that famous election a despatch was sent from the hon. Minister of Trade and Commerce to a newspaper in Montreal in answer to a question put to him in which despatch he said: 'Defeat Laurier by all means.' It was signed by Mr. Foster. We remember that at that time also, when the election was over and when the Liberal Government had been defeated by a narrow majority for reasons that you Mr. Speaker know and which have been disclosed to the House fully, another despatch was sent to Mr. Monk. Where do you think this despatch came from? From a Liberal, from a Nationalist? Not at all. I will read the despatch:

Mr. Monk, Montreal.

Accept heartiest congratulations on your great fight and success.

That was signed by the chief whip of the Conservative party, Mr. George Taylor. The fight on the plains was led by Mr. Monk; it was directed by the Minister of Inland Revenue. The fight on the plains was also led by another prominent member of this House who is now, Mr. Speaker, your deputy, the hon. member for Champlain (Mr. Blondin) but I think if we look up higher, we will find that at the top of the mountain there were two political high priests who were then engaged in praying God for the success of the Nationalist arms, and these two political high priests were the Postmaster General (Mr. Pelletier) and the Prime Minister himself.

Mr. LEMIEUX: All abreast.

Mr. BELAND: What were the exact positions of the political parties about the year 1909, and my citations will be few and short? Let us first take an utterance of the Prime Minister who said:

I believe that the defence of our own shores and the protection of our own commerce is due to the self-respect which should fill the heart of every man in this country.

That is the declaration of the Prime Minister, and now let us hear what the Minister of Trade and Commerce said, speaking as to a contribution:

It disjoins what has been joined together from the earliest days of the world's existence: commerce and the protection of commerce.

Perhaps it would not be amiss if I refer to the declarations made by the Minister of Inland Revenue, who said in this House about that time:

I shall vote against the Bill (the Naval Service Bill) because it involves a recognition of military imperialism, because it aims at having the principle recorded in our statute-books. I shall vote against the amend-

ment (that was the amendment moved by Mr. Borden) because it involves the same principle.

The Minister of Inland Revenue will, I suppose, stand just one more quotation. At a great meeting held in St. Jerome, the Minister of Inland Revenue said:

For me, I have believed that it was my duty to separate.

Here is a separatist.

—to separate myself from Mr. Borden on this important question, and if, as I hope I am, elected your member, I can assure you that I will preserve my attitude of independence on that subject.

Mr. NANTEL: Vous ne devriez pas tronquer la citation, citez tout.

Mr. BELAND: That is what was said by the Minister of Inland Revenue in 1910. Then in 1911, during the election, the Postmaster General who is mighty eloquent in the province of Quebec, said at Lorette on the 5th of September:

As far as the navy is concerned, I am against Mr. Laurier's project, and even if it does not please my opponent in this election, I am against Mr. Borden's contribution proposal.

On the 3rd of October, the election was over and the Postmaster General was elected, and the Conservative party was likely to attain power before long and this is what the Postmaster General said:

It is rumoured that I will be a minister. I do not know anything about it, not having been called by Mr. Borden to share in his Cabinet. At all events, I will be a minister, only if I am allowed to follow the line which has been traced by Mr. Monk.

Some hon. MEMBERS: Oh, Oh.

Mr. BELAND: Again we find the Postmaster General on the 7th of October, 1911, when he was a full-fledged minister—

Mr. LEMIEUX: The same gentleman?

Mr. BELAND: Certainly.

Mr. MACDONALD: It must be a different man.

Mr. BELAND: Oh, no, he was a minister and he was re-elected as a minister by acclamation and this is what he said:

Minister, re-elected minister, I am here at this moment on this question of the navy with the same idea, and the same words, and the same programme as heretofore.

Some hon. MEMBERS: Oh, oh.

Mr. PELLETIER: I never got so much Liberal applause in my life.

Mr. BELAND: I do not believe my hon. friend would get the votes to-day.

Mr. PELLETIER: I have got them so far

Mr. BELAND: When we read over these declarations of 1909, 1910, 1911 of the gentlemen who now are members of this Administration; when we realize the wonderful metamorphos which has been accomplished, we equally realize the truth of the philosophical thesis that: the world is mutable. Now, Mr. Speaker, what is the position of the Liberal party to-day?

Mr. SCHAFFNER: Nobody knows.

Mr. BELAND: If my hon. friend wants to know, I can tell him that the Liberal party to-day stands where it stood in 1909 and 1910; it stands on the same solid ground of providing naval defence in this country for the defence of Canada as a component part of the British Empire.

Mr. MACDONALD: Do you know what the Liberal policy is now?

Mr. SCHAFFNER: You have not done much.

Mr. BELAND: And, where do you find the Conservative party? We find most of its members—every one of its members, with the noble exception of my hon. friend from South York (Mr. Maclean)—stultifying themselves, wandering away, trying to find a spot where the extreme Tory and the extreme Nationalist can embrace, and that spot has been found in direct contribution to the British Admiralty. This is the ground upon which the extreme Nationalists and the extreme Tories unite. What, then, is the line of demarcation between these hon. gentlemen opposite and ourselves? It is clear, I think, and, I submit, it is deep. We all agree that money should be spent for naval defence. They say, spend it in England; we say, spend it in Canada. We all say that sea defence must be provided. Hon. gentlemen opposite say: Provide for the defence of Canada in the North Sea—filled up with British ships; we say: Provide for Canadian defence in Canadian waters. Allow me to quote once more the words of the right hon. Prime Minister—noble words they were. I quote from the speech of the right hon. gentleman in 1909:

I venture to submit that the expenditure in defence of our seaports, in defence of our sea-coasts, and in defence of the waters of the ocean——

What waters? Listen to the right hon. gentleman:

—which are immediately adjacent to our coasts, is of immensely greater advantage and of immensely greater importance than the expenditure which from year to year we are disbursing in connection with the military forces of this country.

It is more important, in the opinion of my right hon. friend, that money should be spent for the defence of our ports, of our

coasts, of our commerce, of the waters of the ocean that are adjacent to our coasts, than that it should be spent to organize militia forces in this country. I share the right hon. gentleman's view of three years ago,—and I am only sorry that he has gone back on his declaration. What further is the line of demarcation between the two parties? We propose to preserve and maintain in its integrity the self-governing privileges of Canada; they propose to curtail them and restrict them, as I shall be able to show in a few minutes to my hon. friend the Minister of Labour (Mr. Crothers) who seems not to agree with me at this moment.

At six o'clock, House took recess.

After Recess.

House resumed at eight o'clock.

PRIVATE BILLS.

HURON AND ONTARIO RAILWAY.

House in Committee on Bill No. 70, respecting the Huron and Ontario Railway Company, and to change its name to The Toronto and Northwestern Railway Company.—Mr. Lewis.

On section 5:

Mr. LANCASTER: Sections 5, 6, 7, and 8 require a word of explanation. In order that no powers of expropriation with regard to waterpowers shall be exercised in violation of provincial rights and other matters, four clauses have been inserted in amendment. Section 5 repeals sections 6 and 14 of the original Act. Section 6 is the standard section in regard to provincial rights in connection with any expropriation in regard to waterpowers. Section 7 is the standard clause providing that the company shall not generate light, heat or power along or upon the streets of municipalities without their consent. The last section provides that railways shall not be built on the streets of any municipality without its consent.

Mr. SINCLAIR: Has this railway been built, or is it only projected?

Mr. LANCASTER: I do not think any of it has been actually constructed, but the members of the railway committee were satisfied of the bona fide intentions of the company, and provided terms for renewing the charter under such conditions as to be in line with other Bills which have been enacted with regard to new railways.

Mr. OLIVER: Does the authority given to municipalities include rural municipalities?

Mr. LANCASTER: Yes. In the general Railway Act provisions are made in respect of cities or towns, but any municipality not having the dignity or size of a town is not included. It is therefore provided that the company shall not in any municipality perform such acts as those to which I have referred without its consent.

Bill reported, read the third time and passed.

NEW WESTMINSTER HARBOUR COMMISSION.

House in Committee on Bill No. 55, to incorporate the New Westminster Harbour Commissioners.—Mr. Taylor.

On section 1:

Mr. OLIVER: Would the hon. member briefly explain the purpose of the Bill?

Mr. TAYLOR: This Bill is for the purpose of creating for the port of New Westminster a commission similar to those of the several ports in eastern Canada. It follows precisely the language of two Bills passed by this House last year, respecting the harbours of Hamilton and of Winnipeg, the sole difference being in the local descriptions. Briefly it is to authorize the appointment of a board of three commissioners, two to be appointed by the Government and one by the corporation of New Westminster. We already have very important harbour properties in New Westminster. We have upwards of a mile of water-front owned by the city of New Westminster and now under lease to various industrial and shipping interests. The corporation of New Westminster are now expending half a million dollars voted by the citizens of New Westminster for the purpose of improving the main front of the harbour by making a quay wall which will be about a mile in length, carried out to a depth of forty feet of water so that it will be accessible to the largest vessel that floats on the Pacific. We anticipate at New Westminster very large shipping in the near future. This one mile of quay wall will afford only first accommodation. After that we propose to make a basin by damming between Annacis island and Lulu island, making a still water basin with unlimited accommodation for all the traffic within the next fifty years. At the expense of the city there have been secured the services of an eminent harbour engineer who has made very comprehensive plans to ensure that there shall be no mistake at the beginning, and that from modest beginnings we can go on and on without disturbing the arrangement until we have there one of the finest ports on the Pacific. It is with a view to having this work carried on under the most expert management that we desire to change the administration of the harbour from the civic control, under

which it now is, to the control of a harbour commission. We propose to turn over to the harbour commission the whole of the mile of water front which we now own and the work which the corporation is doing, and to have them carry it on, and collect the revenues, which, from the first, will be very substantial; and generally speaking to administer the harbour in the same manner as the harbour commissions of eastern Canada administer the harbours under their control.

Mr. LEMIEUX: I would like to ask my hon. friend three questions. First, who at present administers the affairs of the harbour? Is it the City of New Westminster?

Mr. TAYLOR: The City of New Westminster, through the corporation.

Mr. LEMIEUX: What was the tonnage last year in the harbour of New Westminster?

Mr. TAYLOR: I cannot give my hon. friend that information.

Mr. LEMIEUX: I desire to put this question, because it was raised in the Committee the other day, and I am glad to see the Minister of Marine and Fisheries in his seat. Is there any trackage along the harbour of New Westminster, and, if so, does the railway company claim the foreshore rights?

Mr. TAYLOR: I forgot to say that the $500,000 which the city of New Westminster is now expending is for the purpose of widening the street along the water front from its present width of 80 feet to 200 feet, so as to leave ample room for all the railway trackage that may be desired there. We have already three tracks, the Canadian Pacific, the Great Northern and the British Columbia Electric along that street; but, with the street widened to 200 feet, we shall have ample room for all the trackage that may be desired.

Mr. LEMIEUX: I would like to get an expression of opinion from my hon. friend the Minister of Finance as to the foreshore rights. I was not present at the Committee when the matter was mentioned, but I see from the papers that some one representing one of the railway systems claimed that whenever a railway company secured trackage at a harbour, it could claim the foreshore rights. Is that the case in New Westminster?

Mr. TAYLOR: No, New Westminster is applying to this Government for the foreshore rights.

Mr. SINCLAIR: The Bill says that the harbour embraces the whole tidal water to the Fraser river. I would like to know how many miles of foreshore that covers.

Mr. TAYLOR: In the committee that definition was narrowed. The idea of the draughtsman of the Bill was to include all the tidal waters in the immediate vicinity of New Westminster, over which the harbour commissioners would have jurisdiction. It was narrowed down to embrace such of the tidal waters as may be from time to time defined by the Governor in Council as being properly under the jurisdiction of the port of New Westminster.

Mr. SINCLAIR: How many miles do the tidal waters extend?

Mr. TAYLOR: About thirty-five miles past New Westminster, and New Westminster is about twenty miles from the mouth of the river.

Mr. MACDONALD: Is it proposed that the title to this foreshore and harbour should be vested in this commission, or are they only to be trustees for the purpose of managing them?

Mr. HAZEN: I presume that the foreshore is vested at the present time in the Crown as represented by the Governor General. The law regarding foreshores as defined in the judgment of the Privy Council is this: That in those harbours that were public harbours at the time of Confederation, the foreshore is vested in the Crown in right of the Federal Parliament; that in those harbours that were not public harbours at the time of Confederation, the foreshore is vested in the Crown in right of the provincial legislatures of the provinces. What a public harbour is is left somewhat in doubt by the decision of the Privy Council. It is open to question whether what was meant by their lordships of the Privy Council by a public harbour was a harbour which was actually used as a public harbour, that is, actually a place to which boats resorted or which was used for the shipment of goods or for other purpose for which a harbour is used; or whether it meant something that was capable of being used at that time as a harbour and not something that has been created a public harbour since by artificial means such as dredging, or by the expenditure of money. But so far as New Westminster is concerned, I think there is no doubt whatever that the harbour there was a public harbour at Confederation, because it will be remembered that when British Columbia entered Confederation, New Westminster was settled, and no doubt the harbour was used. I think there can be no doubt, in the sense of being resorted to by vessels of commerce, and for other purposes. As I understand it, the foreshore is vested in the Crown as represented by this Parliament, but the custom under the common law of England, has been to recognize that the

people who have really the first right to the foreshores are those who have the riparian rights down to the high water mark. In any applications for foreshores, this Government, and previous Governments, have taken into consideration who the riparian owners were. The foreshores are granted by the Governor in Council on a joint report from the Minister of Marine and Fisheries and the Minister of Public Works. Before recommending the grant of any foreshore, the Minister of Marine and Fisheries has to get a report from the chief engineer of his department and satisfy himself that the granting of that foreshore will not interfere with navigation, and the Minister of Public Works has to get a report from his officers and satisfy himself that the foreshore, of which a grant is requested, will not be required for public purposes; and on a report setting forth both these facts, as my hon. friend from Rouville knows, it is for Council to say whether the grant shall be given.

The remaining question is as to the price to be charged for the rental of foreshores. The practice in the case of municipalities where they are the riparian proprietors and are seeking the foreshore for public purposes, has been to give it to them for a nominal consideration, the grant stating that it is for public purposes. In the case of foreshores sought by private individuals, the custom has been to demand a rental for them, and that rental is fixed by the Governor in Council. There does not seem to have been in the past any principle upon which those rentals were fixed. Each case seems to have been considered on its own merits, and the Council fixed whatever rental they might think fit. But the practice I am pursuing in the cases of foreshores applied for by private individuals who are the riparian owners, is to give not grants but leases for a period of twenty-one year with a proviso that they can be renewed for two further terms of twenty-one years each. On the renewal of the first and second terms, the rental can be fixed by the Governor in Council and if the rental so fixed is not satisfactory to the lessees it will then be fixed by the Exchequer Court. That is the practice that is being followed now. There is a large number of applications for foreshores, principally in British Columbia, some of which have been in the department for a long time, and consideration of which is being pressed upon us to-day. We are overtaking them as rapidly as we can. There is no doubt that those foreshores have been enhanced in value. They are more valuable to-day than they were many years ago. People have been using them in many cases without having paid for them. They were people who had the riparian rights, and they were not interfered with, but they are coming to-day and asking for leases, and their applications have to be dealt with on some equitable principle as to rental, as in some cases they have buildings and constructions representing considerable value, and in other cases they are carrying on industrial and other enterprises. They have to be dealt with on their merits and according to the best judgment we can apply to them. In the case of the foreshore at New Westminster, I think application has been made to the Governor in Council for that foreshore on behalf of the city of New Westminster, which is the riparian proprietor. I do not know whether the Order in Council has been issued yet or not; but undoubtedly, as in similar cases, if application is made by the city, and the property is required for public purposes, a grant would go to the city at a nominal consideration. There are ample precedents for it.

Mr. MACDONALD: I am very much obliged to the hon. minister for his explanation with regard to the practice of the department, which is very interesting, but what I wanted to find out from the hon. member for New Westminster was whether the effect of this Bill was to vest in this commission the title to the land now dealt with, or is the title to remain in the city of New Westminster subject to the control of the commission as trustees and to be used for harbour purposes?

Mr. TAYLOR: That point is covered by section 14, which provides that the corporation may take the property on behalf of the city of New Westminster. I think they hold it in trust for the city.

Mr. MACDONALD: There is no vesting clause in the Bill by which the title to this property becomes vested in the commission. In some places in eastern Canada the title to the property in the harbour is vested in the commission as a corporation and they own and control it absolutely, subject to governmental supervision. Here apparently, it is only a case of this body acting as a trustee.

Mr. SINCLAIR: The 4th section of this Bill defines the harbour of New Westminster to include all the tidal waters of the Fraser river which, the hon. member for New Westminster tells us, extend 35 miles above New Westminster.

Mr. HAZEN: I understand my hon. friend to say that there is an amendment suggested by the committee which will be submitted to the Committee of the Whole when we come to it.

Mr. SINCLAIR: In conection with that, I want to point out that section 15 provides that:

The corporation may regulate and control the use and development of all land and property of the water front within the limits of the harbour of New Westminster.

Would you give them the right to control the whole of this thirty-five miles covering territory upon which other towns may grow up? It seems to me that this would place the whole of the control of and jurisdiction over the river in this particular commission.

Mr. HAZEN: Which section does my hon. friend refer to?

Mr. SINCLAIR: Section 4, read in connection with section 15.

The CHAIRMAN (Mr. Sharpe, Ontario): I would suggest that we discuss that phase of it when we come to it.

On section 4—harbour limits defined.

Mr. GERMAN: Why should it not be definitely stated in the Bill what the water front shall be? The Governor in Council may have a wider idea as to what should be done than the city of New Westminster. It seems to me that it should be absolutely defined in the Bill and then New Westminster would know exactly what it was getting. No government could change it and no government could enlarge upon what this Parliament intended. It leaves a loophole for action which might be absolutely detrimental to the public interest with regard to a great river such as the Fraser is. We should define absolutely what proportion of the river front New Westminster is to have.

Mr. TAYLOR: Conditions in British Columbia are slightly different from those in the hon. gentleman's locality. Our operations are not nearly so circumscribed there as they are here in some cases. At the beginning of things, as we are at the creation of a harbour, it would be physically impossible to satisfactorily define the limits of operations unless we did it by means of a sweeping definition such as that which was contained in this Bill before it was amended in committee. For instance, the plans which have been made for the harbour operations now under way, cover an area of six miles, only one mile of which is being used at present. Outside of this mile the harbour extends for four miles below the city and for a mile above it, and we have the possibility of continuous wharf facilities clear from New Westminster to the Pitt river, about twelve miles above the city, and of navigation in the Pitt river with continuous dockage for perhaps two miles. It may happen that in two or three years the operations of this harbour commission will be continuous for four miles below New Westminster and twelve miles above it. We cannot predict what the future will bring forth. We know what is likely to happen, but we are quite content to take whatever the Governor in Council may choose to give us, and what is called for by the requirements of the business at these docks. We know that these bounds cannot be made too small, because no Governor in Council would refuse his authority to carry on useful works which the local industries called for, and we feel quite sure that no Governor in Council would make these bounds so wide as to embarrass any other community.

Mr. GERMAN: The Governor in Council has to define at some time what the limits shall be. There must be something definite when the property is conveyed to the harbour commissioners. The limits might as well be defined now as in the future and incorporated in this Bill; then Parliament and this committee will see exactly what the Government is proposing to give to New Westminster. According to this Bill, and the hon. gentleman, the harbour commissioners would have power over all the tidal waters extending thirty-five miles up the river. I do not suppose it was ever intended that New Westminster should have that stretch of water front.

Mr. TAYLOR: That has already been explained as having disappeared from the Bill.

Mr. GERMAN: I know, but the Governor in Council is to fix the boundaries.

Mr. HAZEN: That is the practice with respect to all harbours. The limits of harbours are fixed by Order in Council for harbour masters' purposes. You will find in reference to the harbours on the lakes in Ontario, the harbours of the Maritime provinces and the harbours all through the country, that under the Act, the limits of the harbour, or what shall be considered as being within the harbour, are defined by metes and bounds and are embodied in an Order in Council. I presume the idea here is that with the rapid growth which will come to the city of New Westminster the present boundaries of the harbour may in a short time be too restricted and application may be made to the Governor in Council for the purpose of extending these boundaries. The provision of this Bill, as amended, is that in that event taking place the commissioners shall have jurisdiction all over the harbour and that jurisdiction would be extended in that way. It is the practice that the metes and bounds of harbours and the harbour limits are defined by Order in Council. The Bill need not be read a third time until it is looked into carefully by the technical officers of my department.

Mr. GERMAN: There is no natural harbour at New Westminster; it is simply a stretch along the bank of the river with-

out any natural indentation. You are handing over to the Board of Water Commisisoners a stretch of river front, and as in British Columbia, towns are liable to spring up like mushrooms in a night, it may be that other towns along that river will in time to come require reasonable harbour facilities. The Fraser river is one of the greatest rivers in Canada, and the boundaries of this harbour control should be, I believe, defined in this Bill.

Mr. HAZEN: Montreal can hardly be said to be a natural harbour. The harbour of Montreal stretches along the river for sixteen miles, running from the north shore to the south shore, and taking in all the intervening space covered by water; and is similar in that respect to New Westminster. Having in view the very possible rapid development of New Westminster, it may be that they will require just as much water front as they have in Montreal today.

Mr. OLIVER: If the Governor in Council may define the limits of the harbour and may extend its limits, can the Governor in Council restrict the limits also?

Mr. HAZEN: I should think so.

Mr. GUTHRIE: If in the meantime public expenditure has been made on the harbour, I should not think that the Government, by Order in Council, could restrict its limits. Clause 4 is entirely to indefinite and I think it should stand.

Section stands.

On section 14—power to hold and administer certain property for the city:

Mr. MACDONALD: We are giving these commissioners the right to defend and bring suit, and the title of the property is apparently not vested in them. An action brought by them might be defeated by the contention that the title was in someone else. Can the hon. member for New Westminster tell us what is the status of these commissioners?

Mr. TAYLOR: I do not think the corporation of New Westminster considered that. They relied upon the Parliament of Canada as an authority, which last year passed six sections in words identical with the words in this section. They took the former action of Parliament as authority for this.

Mr. MACDONALD: I am at a loss to understand how, if the corporation of Westminster still owns this property you can give this new corporation the right to bring actions in regard to it. These gentlemen appear to be trustees for the city of New Westminster; they have no independent status.

Mr. GERMAN: The section as amended says they may institute and defend proceedings in a court of justice in respect to the property of the commissioners, but the Bill does not give the commissioners any property; the property remains vested in the city of New Westminster. It would seem to me that the Bill is very badly drafted.

Mr. SINCLAIR: It must be intended that the commissioners should hold property, or else the Bill is badly drawn in other clauses. For example, section 19 says they can issue debentures on all property vested in or controlled by the corporation, which infers that they do hold property of their own.

Mr. HAZEN: It is quite clear that the intention is that the property should be handed over to these commissioners. The intention clearly is that the corporation of the city of New Westminster shall transfer to the corporation created by this Bill their harbour property to be administered, and the title would be vested in them.

Mr. GUTHRIE: Does the Government propose by this Bill to vest any property in the city of Westminster?

Mr. HAZEN: This is a private Bill; it is not a Government measure. It simply creates a corporation for the purpose of administering the harbour property now controlled by the common council of New Westminster, and it covers the request of the council for a change in management, that body believing that the property could be better managed by a commission.

Mr. GUTHRIE: Do I understand that under this Bill the city of New Westminster obtains title to no property which it does not now possess?

Mr. HAZEN: That is correct.

Progress reported.

CONSIDERED IN COMMITTEE—THIRD READINGS.

House in Committee on Bill No. 63, to incorporate the Wetaskiwin, Yellowhead and Revelstoke Railway Company (as amended).—Mr. Bennett (Calgary).

House in Committee on Bill No. 17, to incorporate the Northern Empire Life Assurance Company (as amended), and recommending that the title be changed to the Northwest Life Assurance Company. —Mr. Knowles.

Bill No. 47, respecting the Ottawa Electric Company.—Mr. Fripp.

Bill No. 48, respecting the Ottawa Gas Company.—Mr. Fripp.

NAVAL FORCES OF THE EMPIRE.

House resumed consideration of the proposed motion of Mr. Borden for the second reading of and concurrence in the resolu-

tion reported from the Committee of the Whole for increasing the effective naval forces of the Empire, and the proposed amendment of Sir Wilfrid Laurier thereto.

Mr. BELAND: When the House rose at six o'clock I was endeavouring to establish, as clearly as possible, the line of demarcation between the two political parties of this country, and I now propose to examine in a very superficial way the naval situation as pertaining to Great Britain and to Canada. Ten or fifteen years ago a large portion of the British navy was distributed throughout the various seas of the globe, but since then the rising of a certain European power has necessitated the concentration of the British fleet in the North Sea. Ten years ago, as has been stated by the right hon. Prime Minister, there were distributed over the seas 176 ships of the British navy, whilst to-day the number is but 70. In view of the fact that such a gap has been created, what is the imperative duty of the dominions beyond the seas? I submit that their duty is to fill that gap, and Canada can do this in no better way than by creating a sea power of her own, as has been so well stated by the hon. member for South York (Mr. Maclean). One of the chief objections urged as against a Canadian navy is that it will be inefficient; and some hon. members stated that the ships could neither run away nor fight, meaning, I presume, that the ships of the Canadian navy would be too slow and too weak to do so. This brings us to the question as to the speed and quality of the ships proposed by the naval law of 1910. This Act provided for the building of four Bristols. What are Bristols? Second-class cruisers. What is their speed? Almost twenty-six knots. I would remind hon. gentlemen in this connection that there is not in the British navy to-day, with the exception of the last battle cruiser constructed, a single ship which can attain that speed. This disposes therefore of the contention that the ships would be fit only to run away. With reference to the statement that they would be too weak to fight, it should be remembered that no small nation, if this assertion be true, could think of organizing a naval power of its own. Sweden, Norway, the republics of South America—all would make serious mistakes if they made provision for navies of their own. Canada is not the largest and most populous nation in the world, but it is indeed far from being the smallest, and all nations, large or small, if their territory is exposed to the sea, have provided for some means of defence, regardless of their area.

Another objection urged against a Canadian navy is the contention that the adoption of such a principle would make for the separation of Canada from the British Empire. This was emphasized by the hon. member for Frontenac (Mr. Edwards), whose view was that the proposal of the right hon. leader of the Government would make for closer union, while the naval policy of the late Administration would make for dislocation and separation. The separatist argument is an extreme, and, I think, a desperate one, resorted to only under difficult circumstances. Moreover, if I may be allowed to use the expression, this argument is a gratuitous insult to all Canadians, regardless of their origin or creed. Matters have reached such a stage in this connection that to be a Canadian one must necessarily be a separatist. Sir John A. Macdonald, if he were alive to-day would, I am sure, be surprised at such a contention. With regard to the French-Canadian population, I may say, knowing whereof I speak, that that is the portion of the Canadian population most opposed to separation from Great Britain, and the reasons are so obvious that I will not now dwell upon them. What views has the right hon. the Prime Minister expressed in regard to this particular phase of the naval question? He made use of the following words in this House in 1910:

> Look at the pressure of Oriental nations upon our western coasts, and realize, if you will, that it would be the most utter folly for Canada to attempt to isolate herself from the activities of the world. Canada cannot be a hermit nation.

What does the Minister of Trade and Commerce think of a Canadian navy? Is he a separatist? In 1909 he said:

> You cannot point in history to a single commercial people that neglected to provide a protection more or less adequate for their commerce. Six and a half millions of people——

To-day he would say eight millions—

> —with their mighty heritage, and yet to-day no adequate defence in her great seaports from a third-class cruiser which might suddenly appear within her gates!

I take it that the right hon. the Prime Minister and the Minister of Trade and Commerce are the two leading statesmen of the great Conservative party, and the foregoing remarks were expressive of their convictions on this question. Further quoting from the remarks of the Prime Minister, I may say that on the 12th of January, 1910, he spoke as follows—and I commend these words to the hon. member for Frontenac, who, I am sorry to note, is not at present in his seat:

> Then, it has been argued that the creation of a so-called Canadian navy will have a tendency towards the separation of this great Dominion from the Empire. I do not see

that it has such a tendency, more than the organization of a militia force—less, I say!

I had intended to quote from Lord Beresford, but I shall not do so at this stage, as I do not desire to load my remarks with quotations. I wish, however, to read to the House some of the remarks of the High Commissioner of Australia in London, Sir George Reid, who spoke to the Canadian Club in Ottawa on September 9, 1912:

I only wish the rest of the body of the British Empire were as lively as its toes are, in the way of defence. We have got an Australian fleet. What do you think of that? (Laughter, loud applause and cheers.)

And the Minister of Trade and Commerce was there!

We are twelve years old only, you know. You are a lusty forty-five. We are twelve years old, and we have got an Australian fleet, flying the white ensign. But we have got our own flag, mind you, on the front of the ship.

The remarks of Mr. Winston Churchill have been extensively quoted by the hon. member for Red Deer. I shall not quote the same words as my hon. friend did, but I wish to call the attention of the House to a few remarks made by Mr. Churchill at a shipwrights' dinner—I think it was in Glasgow—in May last. After speaking of the concentration of the naval forces of the Empire in the North sea.

The important thing is that the gaps should be filled so that while we of the Old Country guard the decisive centres our comrades and brothers across the seas shall keep the flag flying on the oceans of the world.

One point I wish to make clear. My hon. friend from Red Deer (Mr. Clark) and my hon. friend from South Wellington (Mr. Guthrie) the other day quoted these words of Mr. Churchill at the shipwrights' dinner. The hon. member for North Grey (Mr. Middlebro) spoke immediately after my hon. friend from South Wellington. He said that it was all very well to quote Mr. Churchill at the shipwrights' dinner, that those words would be in order if Mr. Churchill had known about the new German Naval Bill. What did my hon. friend from North Grey say further? because it is most regrettable that such a well posted man, such a prominent member on the Conservative side should make such an affirmation before a body so important as the body of representatives of the Canadian people. He said, at page 1492 of 'Hansard':

All the quotations that have been made by the hon. member for South Wellington, all of the quotations made by the Hon. Mackenzie King, former Minister of Labour, in his speeches throughout this country have been from speeches delivered by Mr. Churchill, the First Lord of the Admiralty before he became aware of the contents of the German Naval Bill of 1912. And my hon. friend from South Wellington asks why were not some of the quotations which he made from speeches made by Mr. Churchill at a certain banquet, incorporated into the Admiralty memorandum of 1912? I will tell him why, because Mr. Churchill knew that the statements which he made earlier in the year, before he knew the contents of the German Naval Bill, would not be true if delivered after he knew the contents of the German Naval Bill.

That is very serious. He practically admits that if Mr. Churchill knew of the new German Naval Bill of 1912 we could rely upon his words and swallow his advice. What are the facts? First of all, the London Times referred to the new German naval estimates on the 15th of March, 1912. What more? In the speech delivered by Mr. Churchill on the main estimates of 1912 on the 18th of March Mr. Churchill makes an allusion which is in reality an allusion to he new amendments to the German naval law. He said:

If we are now as it would seem and as I fear it is certain to be confronted with an addition of two ships to the German construction in the next two years—two dreadnoughts.

On the 18th of March, 1912, Mr. Churchill knew the amendment to the German naval law. What is more precise than that? It is that the German estimates of 1912, considered as an amendment to their law, were brought down in the German Parliament on the 15th of April, and the speech of Mr. Churchill was delivered at the shipwrights' dinner one month later, on the 15th of May. This is perfectly accurate and cannot be contradicted. Then I would ask the hon. member for North Grey to correct that statement. It appears, moreover, that my good friend from Brome (Mr. Baker) and my good friend from East Lambton (Mr. Armstrong) went to McGill University and made the same incorrect statement. I think it is now corrected and will remain corrected forever. I have quoted the Minister of Trade and Commerce as against the idea of separation by the creation of a Canadian navy. I quoted the right hon. gentleman, I could have quoted Lord Beresford, Lord Brassey, I quoted Sir George Reid, I quoted Mr. Winston Churchill who advised us to fill the gaps. I might quote Sir Charles Tupper who has been quoted. We all know his ideas. But there is one man whom I desire to quote He is a Canadian, popular and very high-placed in the councils of the Conservative party, Sir Richard McBride, Prime Minister of British Columbia. At a session of the British Columbia Conservative Association on the 25th of October last Sir Richard McBride said:

That upon national grounds there was great need of a strong army and navy and particularly in British Columbia to protect

its coast from poachers attacking in the Orient. Even considering the question on a commercial basis, the province had illimitable resources which to-day were practically unprotected. 'Let us,' Sir Richard added, 'shortly be able to lay claim to a regular Canadian army and navy second to none in the world.'

If we are separatists we are in good company. Everybody will admit that Mr. Foster, Mr. Borden, Lord Beresford, Sir George Reid, Mr. Winston Churchill, Sir Charles Tupper and Sir Richard McBride are gentlemen on whom we may rely when the question of loyalty is at stake, and if it is at stake in this question I think we may rely on them. What is the vulnerable part of the British Empire to-day? Surely it is not Australia or New Zealand, perhaps to some extent it is South Africa, but surely it is Canada. Why? Because we have not got a torpedo boat or a destroyer or a first-class cruiser or a second-class cruiser or a third-class cruiser or a single battleship; we have not got a single means by which we could protect our coasts in any event. This is the most vulnerable part of the Empire.

An hon. MEMBER: Where are the Rainbow and the Niobe?

Mr. BELAND: They are training ships and my hon. friend should not be so sure about the fate of those ships because if the idea of my hon. friend from South York (Mr. Maclean) should prevail, the very party to which he belongs will have to use those ships as training ships before long. The sentiment is strong in the country in favour of a Canadian navy and if this party waits until four or five months hence you will not find a man in favour of contribution with the exception of a few advanced jingoistic Imperialists. The hon. member for Edmonton (Mr. Oliver) made a great point when he said that the question of occupation was most important in case of war. We cannot treat that very lightly. What do we see to-day in Europe? My hon. friend from South York has referred to that. The events that have taken place in Europe to-day are well calculated to impress the world at large with the fact that there is a firm desire on the part of the European powers to bring about peace, and amongst those powers, there are not two more desirous of doing so than Germany and England. But there is another outstanding feature in the peace negotiations between the Allies on the one part, and Turkey on the other, the facility with which territory occupied by the Allies has been claimed and obtained. Where is the bone of contention to-day between Turkey and the allies? It is Adrianople. And why Adrianople? Because Adrianople has resisted investment by the allied forces though it is situated in the very centre of a conquered territory. The Turks claim that Adrianople having resisted occupation, should not be ceded, though they have been vanquished all along the line. Would it be risky to say that in an engagement between the German navy and the British navy, the German navy might detach a couple of cruisers and send them to Halifax? Could that happen? Is it in the realm of possibility? Who is going to protect Halifax? Is it the hon. Minister of Marine and Fisheries? Who is going to protect St. John or the sortie of commercial ships from the St. Lawrence? You have not got a single means of protection. Suppose that an engagement takes place in the North sea. Every member on the other side of the House says that it is not only a possibility but a probability in the near future. Suppose that that should happen, and that say one cruiser should be sent to Canada, suppose that the engagement should last a week or two; that an armistice should be signed and that Halifax and St. John should be occupied; what would be the fate of Canada? The Imperialistic party would not have provided for a single means of defence here, and probably Canada would be lost to Great Britain. Where would be the loyal party?

Mr. MACDONALD: Under the barn.

Mr. BELAND: Germany would say, we occupy Canada. What war where an armistice is signed in which negotiations are not necessary and concessions on both sides are not made? You cannot point to one in the whole of history. I say on that point that you should protect your coasts, your ports, and your trade. By doing that first of all, you would help the Mother Country, and next and close to it, you would help yourselves as Canadians, and as British subjects belonging to the Empire. The only way, in my humble opinion, in which you can preserve Canada to the British Empire, is by providing defence here on the coasts of Canada.

But there is another point in favour of a Canadian navy, and that is as regards Canadian industry. Have I indeed in front of me the gentlemen who are the political descendants of Sir John Macdonald, the great protectionist, the man who risked all in 1878 to establish national industries in this country? Are they really the political descendants of Sir John Macdonald when to-day they propose to encourage British industry to spend $35,000,000 in British dockyards that are filled to their full capacity, and to refuse to encourage a ship-building industry in Canada? Have we not got the iron, the coal, the nickel; have we not got the artisans and the seaports, St. John, Halifax, Sydney, Montreal,

Vancouver and Victoria? We have the places, the artisans, and the material, and I say it is the greatest mistake on the part of this Government to neglect this the greatest opportunity of establishing one of the greatest industries in the world in Canada. By doing so, you would double, perhaps quadruple, the population of the cities I have mentioned. Furthermore, once established, that ship-building industry would advance towards the great lakes, Georgian bay, lake Huron, and lake Superior, and provide commercial ships. From this point of view, I submit that this House should rally to the proposition of my right hon. friend who leads the Opposition.

The claim is made that $35,000,000 are necessary to relieve a certain naval stress in Great Britain, to do away with an emergency. I sincerely believe that the emergency is dead. It existed up to the day before the Christmas recess, but the hon. the Minister of Trade and Commerce pointed out very properly to his followers that they should not stick to that word 'emergency.' He said it was not 'emergency,' it was 'need,' and he spelled the word. He climbed down, and though he did it very gracefully, still he climbed down. This emergency disturbed my hon. friend from Chambly-Verchères very much. In the debate on the Address, if I may be allowed to refer to a previous debate, he said that he was much disturbed by the Balkan trouble, and that we should provide big ships immediately to remove it. Then my hon. friend the Postmaster General referred to the impression he received when he heard the debates in the Imperial House of Commons. He said he was very much impressed by the words of Mr. Bonar Law, that the guns of Germany were pointed to Great Britain all the time. He lost his sleep over it that night, and he has been so strongly impressed ever since that he has become an advanced Imperialist, although, as my hon. friend from Red Deer pointed out, he is not a thorough Imperialist, he does not bear the ear-mark. I think my right hon. friend the Prime Minister believes that the emergency has disappeared, and why? In 1909 he spoke on the resolution, and I remember that in one of the best speeches I ever heard in this House, he said that as far as he could judge, looking over the whole situation, the crisis would come in 1912. Well, 1912 came, and it has gone, and I believe the danger has disappeared with it.

Then, there are those who claim that we can scare the Canadian people by saying, for instance, that Germany is going to have sixty-one dreadnoughs in 1920. You have read that in particularly dark articles in the Montreal Star. The Montreal Star naval expert said in his article that he thought that Germany would have sixty-one dreadnoughts in 1920. Does any one say that on the other side? Do the forty-one battleships and the twenty large cruisers referred to in the memorandum mean sixty-one dreadnoughts? The memorandum does not say that because the sixty-one ships referred to are not dreadnoughts. We have heard of the two-power standard and my hon. friend the Postmaster General (Mr. Pelletier) said, in a flight of eloquence, that now the two-power standard of Great Britain had disappeared. The two-power standard has been abandoned in Great Britain for obvious reasons. It was first referred to in 1889 by Lord Hamilton, who was then First Lord of the Admiralty. It was then an adequate mode of establishing the supremacy of Great Britain. It meant that the naval forces of Great Britain should be equal to the combined forces of the two next strongest powers. To-day, the Admiralty does not stick to the two-power standard, not because it does not exist, but because it is considered that it would not be a full measure of security in consequence of the rising suddenly into prominence within the last few years of one particular naval power and, to-day, Great Britain is adhering to what is called the sixty per cent superiority standard.

So much has been said about the risk that Great Britain would be running in the near future on account of the relative weakness of her navy, as compared with that of Germany, that it will be my duty now to give you some figures.

In 1913 Great Britain will have twenty-six all big gun ships, dreadnoughts and ships that are fit to lie in the line with dreadnoughts. Germany will have seventeen and France six; Germany and France together, twenty-three. In 1913 Great Britain will have twenty-six as against the two strongest European powers' twenty-three. The two-power standard is maintained.

In 1914 Great Britain will have thirty-three all big gun ships, Germany twenty-one, France eight; Germany and France combined, twenty-nine. Great Britain will have thirty-three as against twenty-nine belonging to the two strongest European powers. The two-power standard is maintained.

In 1915 Great Britain will have thirty-seven all big gun ships, Germany twenty-three, France ten; total for Germany and France, thirty-three. In 1915 the two-power standard of Great Britain is maintained against the two strongest European powers.

But it is claimed that the two-power standard of Great Britain is gone in so far as the United States are concerned. I have here figures that I think will carry conviction to my hon. colleagues in this House.

In 1913 Great Britain will have twenty-six all big gun ships as against Germany and the United States combined, twenty-five.

In 1914 Great Britain will have thirty-three, as against Germany and the United States combined, thirty-one.

In 1915 Great Britain will have thirty-seven as against Germany and the United States combined, thirty-five. That leaves out the two Lord Nelsons, which are counted by many powers as dreadnoughts. The two-power standard is maintained against the two next strongest naval powers in the world. The memorandum makes a reference to the naval forces of Great Britain as against the combined naval forces of all European powers. It states that by the year 1915, whilst Great Britain will have thirty-five, all big gun ships, the rest of the European powers will have fifty-one. Well, that is all right, but I have been looking in vain in the memorandum to find a comparison of the forces of the triple alliance and the triple entente. I remember that Lord Crewe said that if you counted all the powers of the world as your possible enemies and none of them as your probable friends you could not on that score discuss the situation at all. Let us take the triple alliance and the triple entente.

In 1913, the triple entente will have twenty-six and the triple alliance seventeen. France and Russia are not counted here. I will begin counting them in 1914.

In 1914, the triple entente, Great Britain, France and Russia, will have forty-seven all big gun ships. The triple alliance in that same year will have twenty-seven all big gun ships—forty-seven to twenty-seven.

In 1915, the triple entente will have fifty-six all big gun ships and the triple alliance thirty-three.

This preponderance seems to be overwhelming. When Mr. Asquith said in the House of Commons that they had an overwhelming superiority over all possible combinations that could be anticipated, he stated the truth. The figures bear him out. These figures are official and they cannot be contradicted. Now, take the cruiser classes. Great Britain has one hundred and seventeen, Germany, fifty-three, the United States thirty-two, or a total for Germany and the United States of eighty-five. Great Britain has in the cruiser class one hundred and seventeen ships as against eighty-five for the next two strongest naval powers. In the cruiser class Great Britain maintains the three-power standard. Great Britain, in battleships, battle cruisers, and cruisers of all classes, has 189 warships, as against 165 for Germany and the United States combined.

I am not going to deal any further with these figures, but I believe they are quite conclusive to show that the claim that there is an emergency is indeed preposterous. The statesmen of Great Britain declare most emphatically that the situation is perfectly secure; they say they have the situation well in hand, and that they have an overwhelming superiority over all possible combinations. Well, I think we should rely on what the British statesmen say in that regard.

The proposition of the Prime Minister is not as harmless as it appears. I trust I am not indulging in a vain flight of imagination when I say that this contribution, and the ministerial declarations which accompany it, engage Canada irrevocably in the path of organic union in the Empire. That is what is in the minds of some of the English statesmen, especially those of the Unionist political party. Up to this present session of Parliament, no Imperialist has advanced or publicly advocated that scheme, but to-day, in some cities in this country, the flag of Imperial federation has been unfurled.

The question is not: will you contribute $35,000,000 to relieve the strained financial situation in Great Britain? It cannot be that, because there is no strained financial situation in the Mother Country. The question is no longer: are you going to contribute $35,000,000 to help maintain the naval superiority of Great Britain, which is already overwhelmingly superior? That cannot be entertained. The question is not: Is Canada ready to assume a share in the defence of the Empire, having regard to her geographical situation, her financial resources, and her sea borne trade? Yes, but something more. What the Canadian Parliament has to face and to decide to-day is an issue of more far-reaching consequence. The whole future of Canada as a political entity is involved. The question is, in my humble opinion: shall Canada be a sister nation in the British Empire, enjoying the full privilege of self-government, or, is she going to retrograde and become a province in the Imperial federation? A province in the Imperial federation—you are astonished I should make such a statement? But that statement has been made in this debate by one of the most prominent members of the Conservative party, Mr. Ames, the member for St. Antoine, Montreal. He said autonomy was a good word for the last century, meaning that autonomy is not a good word for this century. Listen to him:

Autonomy was a good word for the last century.

Listen to him further:

And I say the day is coming when the Dominion will hold the same relation to the

Empire that the province holds to the Dominion.

Who is it on the other side of the House that wants that? Would any hon. gentleman opposite like to have Canada play the part of a province in the Imperial federation? Autonomy is a good word for the last century, says Mr. Ames; but let me quote Mr. Balfour, who in 1910, in the twentieth century, in the century that is supposed to have done away with autonomy, said:

It is a matter of common knowledge—and, may I add, not a matter of regret, but a matter of pride or rejoicing—that the great dominions beyond the seas are becoming great nations in themselves. Integral parts they are of the British Empire; but, nevertheless, claiming, and rightly claiming, to have reached the adult stage in the process of social growth.

Those words were pronounced in the twentieth century, the century in which, according to Mr. Ames the word autonomy is not welcome. Again, in the twentieth century, we hear the Right Hon. Mr. Chamberlain rebuking Mr. Ames, when he said:

How are we to bring these separate interests together; these states which have voluntarily accepted one Crown and one flag, and which in all else are absolutely independent of one another.

While some would claim they were independent between themselves, that is to say, one dominion independent of the other dominion, let us read further what Mr. Chamberlain says, so as to make it clear:

The time has gone by when we could treat them with indifference; when we could speak of them as though they were subject to our dictation. They are self-governing nations. They are sister states. They are our equals.

These words were uttered in the twentieth century, not in the nineteenth century, the century of autonomy, according to the hon. member for St. Antoine. What does Mr. Campbell-Bannerman say? I crave your indulgence, Mr. Speaker, for quoting at such length, but I think it is absolutely necessary to make out my case. Mr. Campbell-Bannerman said in 1907:

We found ourselves, gentlemen, upon freedom and independence. That is the essence of the Imperial connection.

The essence of the Imperial connection is independence, according to Mr. Campbell-Bannerman, and I suppose my hon. friend from Frontenac (Mr. Edwards) would be scandalized if he heard that. Mr. Askwith, another statesman of a certain size, said:

The special feature of the British Empire has been that it has combined, and has succeeded in combining in a degree unknown in any other combination in history, a loyal and affectionate attachment between the center and parts of the Empire, and between the various parts themselves, with complete practical independence.

I am sure the hon. member for Frontenac and the hon. member for St. Antoine will not call these statesmen down for uttering such words.

I have said that I thought the scheme proposed by the Government involved the political future of Canada. May I quote to you some words uttered by the right hon. gentleman when he presented his resolution. I think they are quite decisive of this case:

Is there really any need that we should undertake the hazardous and costly experiment of building up a naval organization especially restricted to this Dominion, when upon just and self-respecting terms we can take such part as we desire in naval defence through the existing naval organization of the Empire, and in that way can fully and effectively avail ourselves of the men and the resources at the command of Canada?

If my hon. friend from South York is waiting for the right hon. the Prime Minister to establish the Canadian naval service, which the hon. gentleman seems to so greatly desire, I venture to say he will wait a long while indeed, judging by the declaration of the Prime Minister. The right hon. gentleman said further on the 5th of December last year:

No thoughtful man can fail to realize that very complex and difficult questions confront those who believe that we must find a base of permanent co-operation in naval defence.

And listen to the following words:

—and that any such basis must afford to the overseas dominions an adequate voice in the moulding and control of foreign policy.

And listen further:

The conclusions and declarations of Great Britain in respect to foreign relations could not fail to be strengthened by the knowledge that such consultation and co-operation with the overseas dominions had become an accomplished fact.

I have quoted the right hon. gentleman's words at some length because undoubtedly he was the mouthpiece of the Government in this instance, as he should be. But there is another hon. minister who has made a declaration which is very important, a declaration full of meaning. I refer to the hon. Minister of Marine and Fisheries (Mr. Hazen). Surely he will not say he is not an advanced Imperialist. I was astounded to find that, in this Canadian country, which has been built up by men like Baldwin, Brown, Macdonald, Mackenzie, Cartwright, Tupper—to mention only men who have passed from the political life of Canada—a gentleman who occupying a seat on the treasury benches would make a declaration like this:

That question of permanent defence will be worked out; it will be worked out along proper lines; and we believe that one of the elements that will have to enter into the question of permanent defence will be the one of representation which Canada and the overseas dominions shall have with regard to foreign affairs and the policy of the British Empire as a whole.

Now, will the Government claim that they are not committed to a policy of organic union with Great Britain? Is not the political future of Canada clearly involved in these utterances? If these declarations mean anything, they mean that the political relations of Canada and Great Britain are shortly to be fundamentally changed. Now, perhaps I might quote a word from Mr. Bonar Law, but I need not take up time with it, for it is on the same line as the others. Let me quote the Duke of Westminster, an important man in Great Britain, one of the most influential members, I think, of the Unionist party, a leader of opinion in Great Britain. He wrote, in the November issue of The Nineteenth Century And After, the following words:

> The Empire requires for its security an Imperial army and an Imperial fleet, paid for out of an Imperial exchequer and controlled and directed by an Imperial Government. The defence of the Empire must be organized, but only the unification of the Empire will make possible the adequate organization which has been recognized by the leading colonial statesmen.

Listen to the balance of the quotation:

> Therefore they——
>
> That is, the colonial statesmen.
>
> —have urged us to call them to our councils.

That is, that Canadian ministers when in Great Britain, according to the Duke of Westminster, asked the Imperial Government to admit them to their councils in order that they should share in the direction of the foreign policy of Great Britain. I say—be I right or wrong—I beg to dissent; I beg to disagree; I do not believe that the people of this country want to share in the direction of the foreign policy of Great Britain.

The rush of population to our great wheat belt, the investment of home and foreign capital in this country, the growth of our railways and other means of transportation, the rapid development of our natural resources, the great activity of our manufacturing industries,—these are some of the features of our material progress. But what do we see to-day? At this hour of our history, when we possess the undisputed privilege of making our own treaties; when this Parliament is in possession of the undisputed direction of its military forces; when we have assurances from the British Government that no question affecting our Dominion shall be settled without the assent of the Canadian Government; when the time has come that our coasts are uncovered by the withdrawal of the British squadrons and we are confronted with the manifest duty of supplying the protection the Mother Country can no longer extend to us;—at this we are told that we must ascend to a place in the temple where the destinies of Europe are decided. Canada is to embark upon the whirlpool of European politics. This movement, I claim, is a retrograde movement. The status of Canada is that of a sister nation and not that of a daughter nation. These words have been uttered by Lord Grey, and I like them, for they are proud and noble words. The tie which unites the sister nations of the British Empire is love and devotion to one king And there is another tie, referred to three or four days ago by Lord Emmet at the Canadian Club dinner in London, England, who said that the love of the King and automony were the two things that united the nations of the Empire. They are the strongest and the most enduring ties. Do not try to supplement them with ties of a political federation, or with the ties of centralization, or with the ties of political concentration, for fear you might destroy them. Let all these sister nations co-operate, but do not make the vain endeavour to incorporate them. It has been claimed that we are going to have a preliminary voice in the councils of the committee of defence. The prospect has thrown my hon. friend the Postmaster General (Mr. Pelletier) into a state of exulation. So far as I am concerned, I would not object to having a voice in the Committee of Defence. But it is nothing new; it is something we have had for years. But if this voice is called a 'preliminary' step, it means that something else is coming. And I fear it. I fear it because it means that the goal toward which the present Government is moving is the direction of the foreign policy of Great Britain. That would mean a share in the Government of Great Britain. And a voice in the Government of Great Britain would require to be supported by a corresponding voice in the Imperial House of Commons, and it would be in the full sense of the word an organic federation and the entanglement of Canada in the foreign affairs of Great Britain. I sincerely believe that the immense majority of the people of this country are utterly opposed to such a political scheme. It would lead to discontent; it would lead to contention; it would lead to friction; it would lead, I believe, ultimately to the disruption of the British Empire. And that is the main reason why I, as a French Canadian would oppose political federation.

Mr. Speaker, we have a sea-borne trade of $400,000,000. We have not a shadow of protection on either the Pacific or the Atlantic coast. Yet we are asked to vote thirty-five millions of dollars to the British Exchequer to place three ships in the North sea where they are not needed. Our Atlantic coast is three thousand miles from the North sea, and our Pacific coast is eight thousand miles from the North sea. We are without protection on either; and we are asked to vote thirty-five millions of dollars to place ships in the North sea. Statesmen in Canada, such as Macdonald, Cartier, Tupper, Mackenzie, have always repulsed the idea of Imperial federation or organic union. Yet the political descendants of Sir John Macdonald are asking us to throw ourselves into that whirlpool. The statesmen who are connected with the British Admiralty state that Great Britain has more dreadnoughts than any two powers of the world. And we are asked to supply three battleships to be located in the North sea where all the British fleet is concentrated. British statesmen declare that the situation is perfectly safe: we are asked to leave our coasts unprotected and to put three battleships in the North sea. It has been stated by Lloyd George that the British fleet is being constructed and being maintained without the poorer classes of Great Britain paying one shilling more in taxes a year, the additional taxes being placed upon the shoulders of the richer and wealthier classes who are well able to bear the burden. And still hon. gentlemen opposite propose that we shall place thirty-five millions of dollars in the hands of the British Exchequer. Great Britain has reduced her debt by $370,000,000 in the last seven years; Germany has increased her debt by $240,000,000 in the same time. Great Britain has a surplus of $35,000,000 this year. And still we are asked to relieve the financial stress of Great Britain by voting thirty-five millions of dollars. The income of wealth of Great Britain increases every year by an amount suffiicent to build twenty battle cruisers, and we are asked to pay for three battle cruisers to place them at the disposition of the Admiralty where they do not need them. All here are agreed that there are not too many Canadian industries. We require other great and useful industries in this country. We have no ship-building industries. It is the desire of every artisan, of every farmer, of every merchant, of every manufacturer, that a ship-building industry should be established in Canada. And yet the Government of Canada to-day proposes that we should vote thirty-five million of dollars to encourage the British ship-building industry, an industry that has more to do than it can attend to.

Mr. Speaker, the heart of the Empire is secure. Unionist statesmen say so; Liberal statesmen say so. The right arm of the British Government is Canada. And it is here proposed that we should vote thirty-five millions of dollars to add to the shield over the heart of the Empire of Great Britain, while we leave the right arm without a weapon. My last words, Mr. Speaker, are Let Canada develop as she has done until this day, and you will always find her ready to co-operate with the Mother Country in the hour of peril, as she has done so many times in her glorious history.

Mr. ONESIPHORE TURGEON (Gloucester, N.B.): I have never risen in this House with such diffidence as I do at this moment. After the splendidly eloquent speech of the gentleman (Mr. Beland) who has just taken his seat, I feel that I should have been glad to have the debate adjourned. I deeply regret the crack, of the whip that assigns me to follow my hon. friend, I should have been glad if I had been assigned to the duty of following my hon. friend from South York (Mr. Maclean), for then, I feel, I could have done yeoman duty. Mr. Speaker, since you were chosen to occupy the presidential chair in this Chamber, a position you have held with honour and the duties of which you have discharged with impartiality, it has been my lot on several occasions to receive at your hands the generous indulgence which secured to me the indulgence of the House. I hope to be able to depend upon the same courtesy today when I essay to discharge my duty to my constituents who are desirous I should express in their name and on their behalf their views and sentiments on the question now before this House. Every hon. member who has addressed you has expressed in the beginning his appreciation of the magnitude of the question now before you. I am no exception. I feel that this proposition calls for our most earnest consideration because it involves a new principle which means a change in a new departure from our constitutional status, an implication which, to my mind must have inspired the statement of Hon. Mr. Monk in handing in his resignation to the Prime Minister that the proposition goes beyond the constitutional Act of 1867.

In his opening remarks to the members of the Imperial conference in 1911, the Prime Minister of England, Mr. Asquith, made the remark that in the early Victorian era it had been the good fortune of the British Empire to have ben relieved from centralization and disintregation as well, but he did not know if he should attribute the good fortune of the Empire to the favour of Providence or to the political genius of the English race. In his legitimate pride as a Britisher, Mr. Asquith, was justified

in using such bold language and as to the other colonies, such as South Africa, Australia and New Zealand, I am willing to grant that their cohesion is due to the political genius of the British race, but as to Canada I claim that the will of Providence did intervene when, anxious to save the French colony and the French people of Canada and North America from the false doctrines of the coming French revolution and its horrible consequences, Providence inspired the British statesmen of the day with the noblest possible sentiments of Christianity and humanity and directed them to Paris to sign treaties embodying the perpetual recognition of the laws, language and religion of the French people, privileges which were accepted with the deepest gratitude and which made the French Canadians the most devoted people of the British Empire as we have seen on many occasions. Behold the fall of Montgomery on the 31st of December, 1775, at the foot of the citadel of Quebec, under the command of Captain Chabot! Behold the field of Chateauguay where in October, 100 years ago, 300 French-Canadians with forty Scotchmen accomplished the greatest military feat of modern ages, which was witnessed only by 7,000 American soldiers as they were retreating and the heavens above rejoicing. And when later Downing Street attempted to inflict upon them the spirit of centralization and curtailment of privileges, they resisted and added their support to the combative genius of Joseph Howe and they are still securing for Canada this great broad dominion and securing at the same time the unity of the Empire. This spirit which animates every Canadian from the Atlantic to the Pacific, the Acadian, in the land of Evangeline, in his generous forgiveness of the harshness of conquest, the Irishman and Scotchman—every born Canadian and every naturalized Canadian; it is a spirit which has produced Spartan deeds of valour in the battlefield for Canada and worthy acts of diplomacy and statesmanship. Look at the work for Canada of Joseph Howe, Lafontaine and Baldwin, Mackenzie, Papineau, and Cartier and many others, the Blakes, the Mowats and the Cartwrights, and to-day under the sympathetic admiration of Canada and the Empire, Sir Wilfrid Laurier, and his many associates in every province of Canada, whose far-reaching vision and lofty patriotism will forever, in peace and harmony, without aggressiveness be able to develop the immense resources of this country and make of Canada the greatest of the sister nations of the British Empire, with her people gifted with national aspirations, appreciations of national duty and national responsibilities, strong in agriculture and industry, able, willing and ready at any time to give the Empire men and bread, ships and treasure. This question now before you with all its gravity and its immensity, after all is not a new question, and if we are here to-day to debate again this question, it is only due to the change of mind of my hon. friends opposite. We have been asked by many of our friends opposite why should we not join together and accept the responsibility of a contribution with its consequences. As far as an emergency is concerned, when I see an emergency that will be felt by the British Empire, that will be understood by the British Government as well as by the members of a political party on this side of the Atlantic, an emergency that would not need a dictionary and spelling to establish it, an emergency that could be called an emergency, the modest member for Gloucester would not be satisfied with $35,000,000—I would say as I said four or five years ago: Canada would open her treasury to the British Empire, together with every man and every dollar that we could send until that emergency was over. Then, when danger was averted, we would go back to the restoration of our agriculture and financial position with the vigour of a strong nation, a nation possessing a rich and wealthy patrimony and would quickly restore our prosperity—as France did after the German war, when she was able to pay her war indemnity in advance of the time specified. That is what I would think should be done in case of an emergency, and I should think that the people of Canada would adopt that course under any abnormal condition which might be termed an emergency.

Four years ago, the two parties in this House came to an agreement and designed the policy which was adopted by both sides of the House. During the course of this debate the right hon. the leader of the Liberal party, now for the time being leader of the Opposition, has been taken to task because he was not doing his duty, because he had been reluctant and tardy in doing his duty. Ever since Confederation we have been conscious of the duty to the nation to take steps to provide for our naval as well as for our military defence. Meanwhile the country had to progress and it fell to the lot of my right hon. friend the leader of the Opposition, Sir Wilfrid Laurier, to be the first to intimate in an Imperial Conference his desire and the desire of Canada to co-operate with Great Britain in the defence of the Empire, and the protection of the coast as well as of the trade of Canada. It was at the Imperial conference of 1902 that he declared that in the near future the creation of a Canadian fleet would be his policy, and that he would refuse to pay contributions. The principle then laid down remained, and my right hon. friend the leader of the Liberal party had al-

ways in view the establishment of a Canadian navy, but the time and the opportunity had not come then to carry out that policy. At that time my right hon. friend the leader of the Opposition believed that the development of the country was as essential to the supremacy of the Empire as any contribution of ships or money. He believed that the country had to be developed, that transportation facilities had to be extended. People had to be brought into the country, and the population made happy and prosperous. The future granary of the Empire had to be well equipped; new transcontinental railways were required; a surplus production of wheat had to be secured for the Empire. But what was the good of producing a surplus of wheat without railways from east to west when there was an unsurmountable wall to the south? Time went on, the country progressed, and in order to relieve the Empire, of part of the burden of defence, the right hon. gentleman then leading the Government agreed to take charge of the defences at Esquimalt and Halifax. That was assuming a share of the burden of Empire.

When the whole country was waiting with patience for the development of the country, the right hon. gentleman who now leads the Government and the hon. member for North Toronto, who is now, I believe, the chief counsellor and adviser of the new Government, brought in a motion with the object of relieving the Empire of the burden of expenditure on defence. On that occasion the hon. member for North Toronto delivered a speech in which he excelled himself. I believe I render him justice when I say that it was the greatest speech he ever delivered in this Parliament or in the country. It was a speech which earned the admiration of every member of the House, and it gave greater firmness to my convictions. The same hon. gentleman addressed this House on the 18th of December last when he was again very eloquent. He delivered a speech which has been proclaimed the speech of his life. I admit that he was very eloquent but I think he laboured harder than he did in March, 1909, when he spoke from the heart and expressed the sentiments which he had nourished for a lifetime. I think the speech of the 18th December last would have been the speech of his life if he had not delivered the speech of March, 1909. It was the sentiments expressed in the hon. gentleman's deliverance of March, 1909, that laid the foundation of the policy which was then considered and is still considered the one that Canada should accept and put in operation, and that policy was unanimously accepted at that date. Many of the hon. gentleman's words have been quoted, and I would like to quote a few of them now. I do not desire to abuse the indulgence of the House, but I hope I may be permitted to quote some of the expressions he used that were typical of a great patriot and a great Canadian. Speaking against a contribution, he said:

> After ten or twelve or twenty or thirty years you will have paid out an immense amount of money. You will have been protected in the meantime; but in Canada itself there will be no roots struck, there will be no residue left, there will be no preparation of the soil or beginning of the growth of the product of defence.

Further on he said:

> Again it disjoins what has been joined from the earliest days of the world's existence—commerce and the protection of commerce. After all, the basic idea of a naval force is the protection of the commerce of a country. A commerce side by side with its protector, and its protector side by side with the growing commerce of a country, flourish best together, and are the surest helpers to each other.

Again, as if anticipating the criticism which was offered to the measure adopted by the Government in 1910, when it was proposed to build armoured cruisers and torpedo boats as the beginning of a navy, he said:

> Then, again, I think this method ignores the necessities and the aspirations and the prospects of a great people such as the Canadian people are destined to become. We must have beginnings; these must at first be small; but some time or other, as I have said, our country will have its naval force for the defence of this country if for nothing else.

It has been stated, and outside of the province of Quebec it was used as an argument in the election of 1911 that the navy proposed was too small. But we did not intend to build at once a navy sufficient to protect our immense trade and our immense coasts on the Atlantic and the Pacific. On the 29th of March, the hon. Minister of Trade and Commerce said that this must at first be small—that no nation has, ever entered into the immediate construction of a complete navy any more that we have been able to organize at once a sufficient army or militia for the sufficient protection of the country. In a very few years we will have a population of 25,000,000 with a commerce increasing from year to year which will require more and more protection. But, we would have added from year to year to that navy until it would have been sufficient to command the respect of every nation, as the United States has done. It has taken the United States many years to build their navy but they now have a navy worthy of their nation and their commerce and adequate for the protection of their

immense coast line. We are asked to have unaminity on this question, to agree to the proposals of the Prime Minister, to leave politics aside, to join together in a patriotic consensus of opinion and vote the money which is now asked by the Government as a contribution from Canada to the Empire. Permit me to quote a few words uttered by the right hon. Prime Minister, for whom I have the greatest respect, on July 1, 1909, three or four months after the famous resolution had been passed and passed with his co-operation. Speaking in London at the Canadian banquet, the right hon. gentleman said:

> The resolution in the form in which it was passed, while its terms might not upon the surface seem as significant at this moment as the offer of one or two dreadnoughts would have been, laid down a permanent policy for the Dominion of Canada upon which both parties united, and which would serve a more practical purpose than any such offer of dreadnoughts.

These are the words of the then leader of the Opposition, now the leader of the Government, who claims that we should go back upon the policy which he admired himself and which he said would serve a more practical purpose than any such offer of dreadnoughts as was contemplated by some members of this House at the time. Again, the right hon. gentleman, having returned from across the sea, goes to his constituency in the city of Halifax and there on October 4, 1909, addresses the electorate in these words:

> One governing principle at least should control, namely, that out of our material, by our own labour and by the instructed skill of our own people, any necessary provision for our naval defence should be made so far as may be reasonably possible.

On the same occasion and in the same address he said:

> The House of Commons last session laid down a policy touching naval defence in which both parties united. It may not have satisfied the aspirations of all Conservatives, but it seemed our bounden duty to place if possible above the limits of partisan strife a question so vital and so far-reaching.

These were the words and convictions of the right hon. gentleman at that time, just a few days before he was called to take his place in the House at the opening of the session of 1910-11 when, by some circumstance or by some means his judgment was transformed, so that when we proposed, a month or two afterwards, the policy which received the sanction of the Admiralty in 1910, he declared his opposition to it and demanded a contribution. Therefore, as I said at the opening of my remarks, if anybody in Canada, or in this Parliament, has failed to manifest a spirit of unanimity, or to unite in a consensus of opinion, or if anybody is responsible for dragging this great question into the realm of politics, it is certainly hon. gentlemen on the other side of the House.

Now, we are told that we are not true and loyal subjects of the British Crown, that we do not foresee the future of Canada or of the British Empire because, forsooth, we stand by the same policy and the same ideals which were the policy and the ideals of the Minister of Trade and Commerce and the Prime Minister in 1909 and which must be their ideals to-day because I cannot understand how men with even an infinitesimal part of the intelligence which I know these hon. gentlemen possess can possibly change their minds and say that a Canadian navy cannot be built in Canada inside of fifty years and that we have not the material or the aspirations to build it. But the law was passed, an election took place and we know what happened. The leader of the Opposition then became the leader of the Government, and with his friends took his place on the other side of the House. I wish them personally every possible success. Every one of them possesses my greatest esteem and respect.

I see before me my hon. friend (Mr. Hazen) who represents my province in this Cabinet. He knows how great a personal admiration I have always had for him. Patriotic sentiments, I am sure, have inspired his intellectual activity, but when I have observed his actions on many occasions on this question I have wondered because I have thought that they were altogether in opposition to the true feelings of the man who has received the confidence of the people of his own province. I did help him in this matter but he knows that I have always admired him. Even when he speaks against me I always like to listen to him. But the fortunes of the country are a different thing. The future of Canada cannot be guided by personal considerations and nobody can say that he must not express his convictions on public questions with all the thoroughness of feeling and sentiment that he may be guided by. When I saw my hon. friend assuming the position of Minister of Marine and Fisheries and of the Naval Service I hoped that it meant the beginning of the construction of ships in this country and that, agreeably to the hopes of his leader, we would have ships built out of our own material, by our own labour and by the instructed skill of our own people. I felt certain that when he assumed the portfolio of the Naval Service, he would be ready and willing to put into effect the policy which he had inherited from his predecessors in office and sign that contract for the building of the ships in Canada, which would have conferred untold benefits on his native city of St. John, on the province of New Brunswick, and on the

maritime provinces generally. I felt that under the influence of the hon. gentleman there would be started in the province of New Brunswick, shipyards for the building of ships of war in the first place and for the building of ships of commerce later on. If any man more than another has been disappointed by the conduct of my good friend the Minister of Marine, it is the member for Gloucester. No one knows better than the Minister of Marine that we have in the province of New Brunswick vast deposits of coal and of iron ore which could have been turned into steel for the building of ships, and that we have harbours open all the year round which could have accommodated the shipyards. No man knew better than the Minister of Marine the wealth of the natural resources of New Brunswick in this respect, because he, as Premier of that province, gave his generous and patriotic co-operation for the development of the iron mines on the North shore. We have enough iron ore there to supply even the vast demands of Great Britain for generations. As everybody knows Canada has to keep going because every time we make a halt we go backward instead of going forward, and one way to keep going is to establish a ship-building industry in this country. Our iron deposits and our coal deposits lie side by side, and on the Nipisiquit river we have splendid water powers almost traversing the mountains of iron, and here electric furnaces could have been started immediately, if the Government had only decided to build the ships in St. John. Meanwhile that iron ore has to be shipped to American markets for want of a market at home. I cannot understand how my good friend, immediately after he took office, by a stroke of his pen cancelled a contract which would have made for the immediate prosperity of his own constituency and conferred lasting benefits on his native province. I believe there must have been a secret power that directed his hand to cancel that contract, and that power must have been the power of the Quebec Nationalists in the Cabinet with him.

We were told by the hon. member for Frontenac that the policy of the leader of the Opposition is a separatist policy, but I say here that if there is one member of this House who does not want to see Canada separated, now, or in the coming centuries, it is the modest member for Gloucester, and all those of his constituents who send him here by large majorities hold the same view. It is because of my intense patriotism and my intense admiration for Canada as the greatest sister nation in the British Empire, that I am opposed to the policy of the right hon. the Prime Minister which in the end I believe will tend to loosen the ties that bind us to the Motherland. My good friend the Minister of Marine told us last year that he would go to Great Britain with the Prime Minister and consult the Admiralty, and come back with a policy which would be, he believed, satisfactory to Canada and the Empire. He went to England and he consulted the Admiralty, but he and his leader came back with no policy at all. They then apparently hit on the idea of asking for a contribution until they had time to frame a permanent policy. I, for one, consider this emergency contribution, as it is called, a permanent policy of contribution for the building of ships, not in Canada but in Great Britain and these ships bear in mind are for service in the North sea. That contribution of $35,000,000 must be, of necessity, a preliminary to a permanent policy and that is a policy to which I am opposed, because it implies a change in our national status, a change which will not make for the stability of the Empire, but might cause disintegration, as did the policy of centralization disintegrate the Roman Empire and more recently the Spanish Empire.

As it is now eleven o'clock, and as I have a few further remarks to make, I move the adjournment of the debate.

Motion agreed to, and debate adjourned.

On motion of Mr. Pelletier, House adjourned at 11 p.m.

HOUSE OF COMMONS.

MONDAY, February 3, 1913.

The SPEAKER took the Chair at Three o'clock.

REPORTS AND PAPERS.

Report of the Board of Grain Commissioners for Canada.—Mr. Foster.

ESTIMATES FOR 1913-1914.

A message from His Royal Highness the Governor General transmitting estimates for the year ending March 31, 1914, was presented by Mr. White (Minister of Finance), read by Mr. Speaker to the House, and referred to the Committee of Supply.

PRIVATE BILLS.

RICHELIEU AND ONTARIO NAVIGATION COMPANY.

House in Committee on Bill No. 20, respecting the Richelieu and Ontario Navigation Company.—Mr. Lespérance.

On sub-section 2 of section 1:

Mr. NESBITT: I see that this allows two-thirds in value of the shareholders

present at a special general meeting to increase the stock, in place of two-thirds of the total number of shareholders. There might be only a few people there. I think there should be a greater amount of capital stock represented.

Mr. BORDEN: The gentleman who is in charge of this Bill does not seem to be present. I think this clause is in the usual form, that is to say, instead of requiring that a certain majority of the shareholders shall be present at the meeting, it requires that a considerable majority of those present upon due notice shall decide. However, I do not know anything about the Bill, and if the hon. member would like that point gone into and explained further, the Bill had better stand until the hon. gentleman who is in charge of it is present.

Progress reported.

NEW WESTMINSTER HARBOUR COMMISSION.

House in Committee on Bill No. 55, to incorporate the New Westminster Harbour Commissioners—Mr. Taylor.

On section 4—harbour limits defined:

Mr. TAYLOR: I have an amendment to propose.

The CHAIRMAN (Mr. Deputy Speaker): The hon. member has to give notice of an amendment.

Mr. HAZEN: As I understand it, this amendment refers only to the description of the harbour. This Bill was in Committee on Friday evening, as hon. members will recollect, and there was some criticism of the description of the harbour boundaries given in the Bill. The hon. member for New Westminster, who has charge of the Bill, went over the matter with the engineers of the Marine and Fisheries Department, and he is asking to amend the section so that the harbour boundaries will be exactly the same as they are defined in the Order in Council for the harbour master's purposes. I think the proposed amendment meets the objections raised on Friday evening.

Sir WILFRID LAURIER: This is not only a verbal amendment but it is a very important one, and no notice has been given. The matter ought to be allowed to stand.

Mr. BORDEN: If any objection is raised the Bill must stand.

Progress reported.

PATENT OF GEORGE FREDERICK BISHOPRICK.

House in Committee on Bill No. 8, respecting a patent of George Frederick Bishoprick.—Mr. Macdonell.

Mr. MACDONALD: Where a Bill deals with a patent in the way in which this Bill does, it has always been usual, in my experience, inasmuch as it is a departure from the general law, for the party promoting the Bill to explain to the House the reasons which have rendered it necessary for him to ask for this special legislation. This remark applies to one of these Bills. The explanation given by the hon. member for Prince Albert (Mr. McKay) with regard to the explosives Bill was that this was the second time in which the powers asked for in it had ever been granted by Parliament, and there was no explanation as to why they should be granted.

Mr. BORDEN: I suppose that explanations have been given in the committee on Private Bills. It is proper, however, that they should be given in this House. I have taken exactly the same view as that which my hon. friend has just expressed in regard to this Bill. The mover of the Bill does not seem to be in the House at the moment.

Mr. MACDONALD: I have no desire to captiously oppose this Bill, I only desire to understand the matter.

Mr. BORDEN: Better let it stand.

Progress reported.

CANADIAN EXPLOSIVES, LIMITED.

House in Committee on Bill No. 9, respecting Canadian Explosives, Limited.—Mr. Ames.

Mr. MEIGHEN: Bill No. 9 is not one for which I wish to take personal responsibility. It is a Bill introduced by the hon. member for Montreal, St. Antoine (Mr. Ames); but in his absence to-day I was asked to see it before the committee. I have read the Bill over and discussed it with interested parties. As far as I understand, it simply provides for the return of ordinary certificates, their endorsement in the register, and the re-issue in place of them of share warrants, which means simply shares that are transferable by delivery. It provides further that these share warrants may be later on returned and in their place ordinary share certificates may be issued. The Bill further provides for the status of the holders of share warrants in the event of meetings of shareholders, &c. But I presume that the explanation the hon. gentleman wants is as to why the company should be asking for power to issue share warrants at all. As far as my information goes, it is a practice that is very common in the Old Country and one which is becoming common here. Some companies in this country already have that power. If my

hon. friend wants any further explanation, I do not feel that I should press the Bill further, because I can simply give him what has been given to me. In the Banking and Commerce Committee no objection was taken to the Bill on that ground.

Mr. MACDONALD: The view that I have reached in regard to the matter is that, where the right to issue share warrants on the part of a company is desired, the company should come and get a special Act of Parliament for the purpose as a matter of general principle. What we have here is a company incorporated under the Joint Stock Companies' Act coming to Parliament and getting a special right to deal in share warrants, a right which is not given to other companies incorporated under the Joint Stock Companies' Act. I understand that on Friday night, when the matter was mentioned by my hon. friend from Prince Albert, it was said that one other company existed which had this privilege. I maintain that, as a matter of sound legislation, we should not trespass within the arena of the Joint Stock Companies' Act and give to any company that comes here without any special reason, the right to issue share warrants. If they want that exceptional right they should come and ask for a special act of incorporation under which that right may be granted by Parliament. I think that is a sound principle which should guide Parliament in dealing with legislation of this character. If share warrants are a good thing then amend the Joint Stock Companies' Act and let every company have the right to issue them when they get their certificate of incorporation from the Secretary of State. Do not let us do this thing in piecemeal because investors will rely upon the provisions of the Joint Stock Companies' Act as being indicative of the powers of a particular company and you will have a considerable amount of confusion in dealing with the rights of parties where, in addition to the Joint Stock Companies' Act you find, away in the recesses of private legislation passed by this Parliament, some particular clause which gives a company special powers. If the gentlemen who are interested in this company desire special rights they should come to Parliament and ask for a special Act. That seems to me to be a sound proposition.

Mr. WHITE (Minister of Finance): With regard to what the hon. member for Pictou has said, I appreciate his point of view. I think that the Joint Stock Companies Act will require revision at a comparatively early date, but in the meantime it does not provide for the issue of share warrants. In the course of my experience I have had brought to my attention the desirability, almost necessity, of granting companies the right to issue share warrants, especially those companies which derive their funds from Europe. In this country the transfer is in the case of book shares on the books of the company or scrip certificates which pass from hand to hand by endorsement, and, so far as the financial world of Canada is concerned, they serve the purpose very well. For example, a man holds a certificate for 25 shares, in a particular company, he endorses that before a witness and it passes from hand to hand until some holder desires to have the shares transferred into his name. By virtue of the power of attorney endorsed in blank and which he fills in, the transfer is accomplished. The scrip certificate which passes from hand to hand here is not known in continental Europe, and its place is taken by what are known as share warrants, which are practically bearer certificates, entitling the bearer, upon giving notice under certain conditions to receive the dividends as and when they are declared. A number of companies incorporated in Canada which desire to sell their shares, or, in other words, to raise a part or the whole of their capital upon the continent of Europe, find it very desirable they should have the advantage of issuing share warrants in lieu of share certificates, as we have them in Canada. My hon. friend makes the point that the Companies' Act does not at present permit that, and that, therefore, there should not be any special legislation authorizing companies incorporated under the general Companies Act to issue share warrants. I can appreciate that point of view. But the revision of the Companies Act is a work of some magnitude, and should not be undertaken except after very careful consideration. In the meantime some companies might suffer seriously in respect to their financing abroad, if they are not permitted to come to Canada and obtain this special legislation under which they may issue share warrants for sale on the continent of Europe. I also appreciate the point of my hon. friend as to the advisability of their coming to Parliament and obtaining a special Act instead of getting incorporated under the general Companies Act and then coming for special legislation. But I submit to my hon. friend that as this very thing has been done before, and by reason of the fact that the parties having assumed that what has been done before could be done again, they may now be embarrassed. The companies which are applying this year for that special legislation, may be set back a year. I ask the hon. gentleman to take that aspect into consideration.

Mr. MACDONALD: I have not the advantage of belonging to the Private Bills Committee, and, therefore, I am in the dark as to what special circumstances exist with reference to this particular company which renders it advisable to give this power. I am glad the Minister of Finance agrees with the principle which I have ventured to submit, I think that perhaps in this House we do not pay that care to private legislation which we should. I am told that this exceptional power was granted last year in another case, and had I noticed it then I would have raised the question. I submit that it is not sound legislation, and that difficulties are always sure to arise where you have general acts dealing with the incorporation of companies and you pick out individual cases for special legislation. That should not be done except for very urgent reasons. If the principle incorporated in one special Bill is sound, then the general Act should be amended so as to make it open to every body. I would like to hear from the promoter of the Bill the circumstances which entitle this particular case to consideration.

Mr. NESBITT: Is there anything to show on the face of the share warrant of what the conditions of its issuance are?

Mr. WHITE (Minister of Finance): The share warrant states that the bearer is entitled to so many shares of the common or preferred stock, as the case may be, of such a company, incorporated under the laws of Canada. The share warrant is merely a document of title, showing that for the time being the bearer is entitled to a certain number of shares; it is precisely the same as if he held an ordinary stock certificate, stating that he is the owner of so many shares. The only difference is that the share warrant is to bearer, and passes from hand to hand like a bond payable to bearer. The reason it is favoured on the continent of Europe is that no question arises as to the authenticity of the signature to the power of attorney on the back of the scrip certificate. Nearly every company that carries on business on the continent of Europe adopts the share-warrant-to-bearer system, and a number of companies in this country, which desire to obtain money for their enterprises on the continent of Europe, have adopted the same expedient. If it is desirable that a company should be allowed to obtain money from Europe, then I think, if it could be safely done, as it can without doubt, facilities ought to be granted for the purpose of enabling it to sell its shares on the continent of Europe in the form the people there desire to have them sold.

Mr. NESBITT: What I wanted to know was whether the condition printed on the share warrant showed that the holder of the share warrant had no right, for example, to vote at a meeting of the company as he would had he held the shares.

Mr. WHITE: If the shares are entered in the books of the company in his name, he can vote.

Mr. NESBITT: The last clause says he had no right to vote.

Mr. WHITE: If the holder of a share warrant desired to vote, he could have the shares transferred to his own name, and could vote in the usual way.

Mr. BORDEN: As I understood my hon. friend, he desired to know whether or not the conditions alluded to in this section, which would entitle or disentitle the holder of the warrant to vote, are expressed on the warrant itself. I do not think there is any information on that point in the Bill. It seems to me that it would depend upon the determination of the directors as to the form of the share warrant. There does not seem to be anything in the Bill which controls that. There is no reason, however, why the Bill should not stand until further explanations are given. There is a good deal in what has been said by my hon. friend from Pictou (Mr. Macdonald) as to the lack of interest by hon. members in private Bills, and as to the frequency with which these Bills go through without any consideration on the part of the Committee of the Whole. It is desirable they should receive consideration, and that there should be the fullest explanations with regard to them. I am not sure that I see the exact distinction between a Bill such as this and one which would embody everything that is in the Joint Stock Companies' Act. My hon. friend from Pictou made one point which I appreciate, that is, that we should be able to refer to some general Act, and know that a company incorporated under it has certain powers and no others. That certainly is a point in favour of his contention. At the same time, any company desiring powers of this nature must come for them to Parliament so long as they are not in the Joint Stock Companies' Act. I heard nothing of the Bill before the discussion to-day. I understand that in other countries where money is raised share warrants are usual, and investors are very apt to desire the forms to which they are accustomed. There seems to be no difference between a share warrant and a share certificate which passes by endorsement, except for the consideration mentioned by my hon. friend the Minister of Finance, that in the one case there might be fraud and forgery by reason of the necessity of a signature to the power of attorney on the back of the certificate, while in the other

case the delivery must absolutely pass title.

Mr. PUGSLEY: There is this peculiarity about the proposal, that when a share warrant is issued, the holder ceases to be a shareholder for all practical purposes, because under section 5, the directors have to strike his name out of the books. He ceases to be a shareholder, and his certificate is like a bond except that it has not a preference. Dividend coupons may be atached to the share warrant. Supposing all the shareholders had share warrants, you would really have no shareholders. Should there not be some regulation in the statute, which would provide what should be done in cases of that kind? When a company is incorporated, having reference to certain objects, I presume Parliament would have some regard as to who are to be the shareholders, to have control of the company. The moment you issue a share warrant, the shareholder ceases to be such, and until he gets the shares entered in his name on the books of the company, he has no voice in its management.

Mr. WHITE (Minister of Finance): Let us take the case of an ordinary company issuing scrip certificates. A is a shareholder entitled to 25 shares. He sells these 25 shares to B, and hands B a scrip certificate endorsed in blank. So far as A is concerned, although he appears as a shareholder on the books of the company, he is of course not a shareholder. Equally so with regard to B. B has the right to complete his title by going to the company and having the shares entered in his name. The delivery of the scrip certificates endorsed in blank to B passes, as between A and B, all the right, title and interest of A to B, and enables B to go on and complete his title by having the shares entered in the books in his name. Take the case of the share warrant. A is a shareholder of the company, owning twenty-five shares; he has a certifiacte standing in his name. He desires to sell his shares, so he goes to the company, surrenders his share certificate, and takes in lieu thereof a share warrant to bearer. Instead, therefore, of delivering to B, the new owner, the scrip certificate endorsed in blank, he delivers to B the share warrant which is payable to bearer. B in the former case is not entered on the books of the company as a shareholder, and B under the second set of circumstances is also not entered in the books of the company; but B, holding the share warrant, just as he could have done if he had held stock certificate endorsed in blank, can go to the company, surrender his share warrant, have his name entered as a shareholder, and have a new share certificate delivered in place of the share warrant. That is the way it would work out. As a matter of fact, the principle is well recognized on the continent and, I believe, in England. These share warrants pass from hand to hand on the continent; that is the way they are dealt in. As has been said, the matter is new to the House, and there is no reason why the Bill should not stand for further explanation.

Mr. NESBITT: I have no desire to hold up the Bill. I simply want to point out that I think you are giving too much authority to the directors in issuing these share warrants, without having some knowledge as to whether they are printed in such a manner that they will tell the bearer what he is buying. We all know that often a great deal of deception is practised in issuing stock and stock certificates. The fault I find is that people taking these share warrants may think they are still shareholders of the company, and enjoying as such the full benefits and advantages of a shareholder. I think the position of the holder of such a warrant should be definitely stated on its face. If the directors of every company were absolutely honest, no risk would be incurred in this regard, but, unfortunately for this and other countries, all directors are not absolutely honest, and I think that before this Bill becames law a draft should be made showing how the share warrant should be printed.

Mr. MACDONALD: I would like to suggest to the Minister of Finance the wisdom of considering this method of dealing with the matter. The Joint Stock Companies Act was passed for the purpose of enabling a number of people to come together and obtain, within well defined limits and on certain conditions, certain corporate rights and powers. So far as Canada is concerned, the use of these share warrants has not become a matter of very great consequence in ordinary financial affairs. I think my hon. friend, if the principle of issuing share warrants is sound, should have an amendment to the Joint Stock Companies Act prepared, in which the rights of share warrant holders, and the status of transferees and all parties affected by the issue of such share warrants, should be provided for, and that the authority granted by letters patent in the first instance could be applied for in this special case, the Government then granting to such companies the right to use the share warrants under these well settled terms. In the meantime, I would suggest that the Bill be allowed to stand until its promoter is heard from.

Progress reported.

NORTH FRASER HARBOUR COMMISSIONERS.

House in Committee on Bill No. 59, respecting the North Fraser Harbour Commissioners.—Mr. Taylor.

On section 4—harbour limits defined:

Mr. OLIVER: As the area covered by the provisions of this Bill adjoins the area covered by the New Westminster Bill, perhaps this one had better be held until the two boundaries are decided upon.

Mr. TAYLOR: I do not think this Bill should be held for the reason stated. The changes made in the section simply meet the views of the Private Bills Committee, and in it there is no conflict with the Bill referred to by my hon. friend.

Mr. OLIVER: Are the boundaries of the area affected by this Bill absolutely defined in the Bill?

Mr. TAYLOR: The boundaries were defined in the Bill, but the Private Bills Committee struck out the definition and left the matter to be defined by the Governor in Council. If the House has objection to the amendment that the Governor in Council shall define the limits, I would suggest that we go back to the Bill as printed and introduced.

Mr. OLIVER: I am speaking of this North Fraser Harbour Bill.

Mr. TAYLOR: That is the Bill of which I am speaking. The Bill as originally introduced is, to my mind, quite satisfactory.

Mr. OLIVER: Would the hon. member state the reason for the division of jurisdiction between the area covered by the North Fraser Harbour Bill and that covered by the city of New Westminster Bill?

Mr. TAYLOR: The reason is that the four municipalities interested thought that their interests would be better served if they incorporated apart from New Westminister. The two committees agreed to disagree to this extent. There is no conflict between them, except that they wished separate incorporation.

On section 6—commissioners:

Mr. SINCLAIR: Would the hon. gentleman be good enough to explain this section?

Mr. TAYLOR: There are four municipalities interested, and they have agreed to appoint one commissioner.

Mr. PUGSLEY: Might I ask the Minister of Marine and Fisheries if the Government is an assenting party to this Bill?

Mr. HAZEN: This is a private Bill, and the Government is in no way a party to it.

Mr. PUGSLEY: What does my hon. friend think of the provision of this Bill which grants to the company the control and entire charge of the foreshore within the limits defined by the Bill? Section 15 gives to the commissioners powers now vested in the Governor in Council.

Mr. HAZEN: My attention has not been particularly called to this feature of the Bill, and I think perhaps the Bill had better stand. There is no intention of conveying to anyone by this Bill the absolute control of the foreshores of the harbour.

Mr. TAYLOR: The wording of this Bill is identical with that of two Bills passed by this Parliament last session, its provisions are in every syllable the same as the provisions of the Bill passed with respect to the harbour of Hamilton and the harbour of Winnipeg and St. Boniface; the draughtsmen of this Bill followed those two measures precisely with the exception of the two local definitions. If we were correct in passing those measures last year, and I must presume we were, I would urge that this Bill be gone on with because it is of importance to us locally that some progress should be made.

Mr. NESBITT: What is the object to be attained by placing these harbours under local commissions?

Mr. HAZEN: The object of these Bills is that in some cases it is believed by city corporations that their harbours could be more successfully managed by a commission, that is, in a sense, independent of popular control, some of its members being appointed by the Government and others by the city, and so not liable to being changed every year, than it could by a Committee of the Council. It is thought that by having a board of this sort, more permanent in its character, harbour improvements can be carried out in a more systematic way and the harbour can so be better developed. There are some harbours like Montreal where the reasons are not so obvious but in that case the city divested itself of the control of the harbour and the harbour commissioners there are simply a branch of the Dominion service. This is a case where the municipality of New Westminster felt that the harbour could be more permanently and satisfactorily administered by a commission than by a committee of the council or by a Government harbourmaster who would collect the tolls. That was the object sought in Hamilton and Winnipeg. There might be a distinction between Hamilton and Winnipeg and New Westminster. In Hamilton there is practically no rise and fall of the tide and therefore very little foreshore, and the same, I think, is true of the Red river at Winnipeg, while at New Westminster there is a greater foreshore of greater value and there is more

Government interest in the foreshore than in the other harbours. Some words might be added to this Bill to make it clear that it is not intended, at the present time at least, to hand over to the commission the foreshores of the harbour. It has been the practice to hand over for a merely nominal consideration the foreshores in public harbours to the municipality, to the city or public body interested, where it is to be used for public purposes, and in the event of this commission being appointed and the foreshores of this harbour being required for public purpose and it being made clear that the erection of works on these foreshores would not interfere with navigation and that the foreshore would not be required for the erection of public works for the Public Works Department, no doubt an Order in Council would pass handing over the foreshore provided the municipality was the riparian owner of the lands abutting on the foreshore. There is force in the argument of the hon. member for St. John (Mr. Pugsley) that the matter should be considered by the officials of my department.

Mr. PUGSLEY: I quite agree with the Minister of Marine and Fisheries that there is an important difference between this case and the cases of Hamilton and Winnipeg. In the cases of Hamilton and Winnipeg I do not think this Government has any right whatever to the foreshore, whereas in tidal harbours like New Westminster it is undoubtedly the case that the foreshore is entirely owned by His Majesty by right of the federal authorities. Therefore it does seem to me that any scheme which proposes to vest in any local body the control of the harbour frontage, that is the control of the foreshore, ought to emanate from us or have the consent of the federal authorities. I think this Government ought to jealously guard the rights of the federal Government in the foreshore on harbours throughout the Dominion. I know there has been a disposition upon the part of some local authorities, more especially the government of British Columbia, to ignore the rights of the federal authorities in the foreshores of the province. I thought myself, when Minister of Public Works, that the time had arrived when a case should be stated between the Federal Government and the provincial government as to the right to the foreshores. I believe the government of British Columbia has presumed to exercise the right of building wharfs in places like Prince Rupert and other harbours along the Pacific Coast without any reference to the Public Works Department or the Marine Department of this Government. That is a right that ought to be contested under the terms of the British North America Act and now when the local authorities are asking that the entire control of the foreshore in this most important tidal harbour should be placed in a body independent of the federal Government, and its control taken out of the Governor in Council, the matter ought to be carefully considered by this Government and they should have a policy in reference to it in any measure of this kind, professing to give to any separate corporation the control of the foreshores, the right to say how they shall be administered and developed, the right to say what improvements shall be made on public property. I think that before Parliament is asked to pass a measure of this kind the matter ought to be considered by the Government and such a Bill ought to have the approval of His Royal Highness the Governor General before it comes to this Parliament for consideration.

Mr. HAZEN: The hon. member is, of course, aware that the question of whether the foreshores belong to the Crown in right of the Parliament of Canada or in right of the provincial legislature has been before the Judicial Committee of the Privy Council and judgment has been given on it. The effect of that judgment is that in the case of harbours that were public harbours before or at the time of Confederation, the foreshore is vested in the Crown by right of the Dominion Parliament but in the case of harbours that were not public harbours at the time of Confederation the foreshores are vested in the Crown in right of the provincial Government. The matter is left in an unsatisfactory condition for this reason that it is not clear from that judgment what the definition of a public harbour is, that there is room left for doubt as to whether a public harbour means a harbour or a sheet of water that was capable of being used as a harbour, the different qualities that a harbour would ordinarily possess or whether it means a place that was actually used as a harbour, as a landing place for goods, a place of refuge, &c. The judgment thus leaves the question in confusion and there are cases, principally upon the Pacific Coast, where the question is arising as to whether they are harbours over which the Parliament of this country or the legislature of British Columbia exercises control. While many cases are absolutely clear and while there is no doubt about the harbour of New Westminster being a harbour that was a harbour at the time of Confederation so that this Parliament clearly has jurisdiction, there are other cases where the question is bound to arise. One of these cases is the case of Prince Rupert because I do not know whether there is any historical information that can be relied upon with accuracy to the effect that the harbour of Prince Rupert was actually used as a public harbour before the time when British Columbia became

a part of the Canadian Confederation. As regards the foreshore of Prince Rupert, a great part of the land on the foreshore is owned by the Government of British Columbia, and if the Government of British Columbia, they being the riparian proprietors, desire to use the foreshore for public purposes, for the erection of public works, or of wharfs or for public purposes of that sort, I do not think that there can be any doubt that they will be treated in the same way as it has been the practice to treat municipalities and public bodies in the past, that is by exacting a nominal rent and giving them a grant of the foreshore where it is for the purposes of harbour development or for works that are for the benefit of trade and commerce. But I think a case is bound to arise when it will be advisable to have it decided by the highest Appellate Court, the Judicial Committee of the Privy Council, so that a definition may be obtained as to the word 'harbour' and as to whether the words 'public harbour,' in the judgment given years ago, mean a public harbour used as such, or a place capable of being used as such.

Mr. PUGSLEY: In the case of Prince Rupert I agree with my hon. friend that upon application being made by the provincial Government of British Columbia, the right to erect wharfs or other structures would be given for a nominal consideration, or for a very reasonable consideration. But when I was minister, the provincial government did not think it worth while to come to the federal authorities at all. They claimed the right, apparently, to build structures upon the foreshores without any reference whatever to the Dominion Government, thereby asserting, as I have said, the right in the provincial authorities. I think the federal Government has always taken a contrary position, and the time has certainly arrived when a case ought to be stated in order to get an effective definition of the words 'public harbour.' I would like to point out to my hon. friend that at the time of Confederation there was a clear and well-marked definition between public harbours and private harbours. That was particularly the case in the province of Ontario. A long time before Confederation, the legislature of Ontario incorporated many private companies and, vested in those companies different harbours in the province. I have in mind several. The whole authority and control, the right to build wharfs and elevators, and the right to exact harbour dues, were vested in the private corporation. Therefore when the framers of the British North America Act came to consider what harbours should be vested in the federal authorities, they had clearly in their minds private harbours and public harbours. It seems to me that the question of whether a harbour is a public harbour or not does not depend upon what vessels have frequented it, or upon whether any vessels have frequented it. The question is, have the public a right to frequent it? Is it open to the public, is it entirely free from private ownership? It seems to me that every harbour that has not been vested in private authorities is a public harbour under that definition; so, I take it, that if the harbours on the coast of British Columbia, as well as on the coast of the maritime provinces, are capable of being used as places of refuge for vessels, and there is no private ownership in their waters, they are public harbours just as much as if they were frequented at the time of Confederation or are now. But as my hon. friend says, so far as the harbours of New Westminster and the Fraser river are concerned, they were both undoubtedly used by vessels coming in from the Pacific ocean long before Confederation.

Mr. TAYLOR: Might I ask the hon. member for St. John whether, in the event of his contention being well founded that this Bill might infringe on the property of the Crown, that could not be cured by the insertion of two words in section 12, where it says:

> Nothing herein shall be deemed to give the corporation jurisdiction or control respecting private property or rights within the said limits.

If we were to add 'rights of the Crown' after the words 'private property or rights,' would that not meet the objection the hon. gentleman has taken?

Mr. PUGSLEY: If it does not give control, what is the effect of the Bill? The Bill would be inoperative if you gave the commission no control whatever. In another section it does give control, and does allow this corporation to say how far out in the water a private owner shall build his wharf, how he shall build it, and what development he shall make on his property. If you do not give the harbour commissioners that power, you might as well not pass the Bill at all. What this harbour commission wants is power to regulate and control the development of the foreshore property. That is what they are asking for in section 15.

Mr. TAYLOR: Do I understand the hon. gentleman to argue that the harbour board must of necessity infringe upon the rights of the Crown?

Mr. PUGSLEY: I should say undoubtedly it does; undoubtedly it is intended to do that, because it is intended to give to the Harbour Board by section 15 the right to—

—regulate and control the use and development of all land and property on the water front within the limits of the harbour of New Westminster, and all docks, wharfs, buildings and equipment erected or used in connection therewith, and for these purposes may pass by-laws as hereinafter provided.

Surely that language is so broad as to enable this board to say A, B and C, you shall develop the foreshore in front of your property only in a certain way; you shall only erect a certain class of buildings and a certain class of wharf, and at a certain distance; wherever you got the grant of it, you can only do that under the authority and control of this Board of Harbour Commissioners. That is the object of this statute. If they cannot get that authority, I suppose they would not ask for this Bill, and if they get it, it would seem as if they would divest the Government and the Government lessees of the right of control in the foreshore.

Mr. HAZEN: We can easily amend that section.

Mr. PUGSLEY: Certainly.

Mr. TAYLOR: There is no difficulty that cannot be met by a very simple amendment. I should like to point out that there is no desire on the part of anyone in the province to interfere with the prerogatives of the federal Government, least of all on the part of the promoters of this Bill. This Bill was framed on the suggestion of a representative of the Government made to me last session that the proper way to deal with our harbours in connection with the works we were asking for was to secure the incorporation of a board of harbour commissioners, and the two Bills of last year were offered to us as our model. We took these on the authority of the Government, and have followed them. I think that if we provide in section 12 against the infringement of the Crown rights, that would absolutely meet the objection of my hon. friend. I would like to add that the necessity for this legislation is that every year embarrasses the situation more and more as to the creation of effective public harbours in British Columbia. Until very recently, we could acquire the property necessary for harbours with very little embarrassment to private interests, but with the extraordinary development there, property is being taken up more and more rapidly, and the cost of acquirement for harbour purposes has become greater every year. Therefore it is a matter of the very greatest importance that such boards should be constituted so as to give notice to all concerned, when the time is ripe to apply for certain properties for harbour purposes, and thus be able to get the property at its value at the time notice is given of the intention to use it for a harbour. It is desired to be in a position to give that notice and not be held up later on by exorbitant prices which would prevent the carrying out of our harbour schemes. If this House, because of fancied legal difficulties which have not hitherto presented themselves, defer our chance of giving this notice for another year it will inflict a great hardship on the communities I represent.

Mr. PUGSLEY: There is no desire, on my part, to cause delay for another year, but my hon. friend must not be too impatient if he finds, when he introduces a Bill as a private measure which interferes with a public harbour in which the Crown has foreshore rights, if somebody wants a little more consideration given to the Bill with a view to safeguarding public rights. If any member is not satisfied that public rights are safeguarded and he does not suggest that idea to the committee I think he is not properly discharging his duty. In view of what the Minister of Marine and Fisheries suggested that the Bill might require a little consideration at the hands of the officers of the department with the view of making some necessary amendments, I think my hon. friend would be discharging his duty in consenting to the committee rising in order that we might further consider this Bill with the New Westminster Harbour Bill, because I take it they are both drawn in the same way and that if one is amended the other would have to be amended also.

Mr. TAYLOR: I understand the difficulty is that this is a private instead of a public Bill. Would it be a remedy if this were introduced as a public Bill?

Mr. PUGSLEY: The hon. gentleman is getting unduly alarmed. There is no disposition to throw the Bill out because it is not introduced by the Government. All I ask is that some words should be inserted in the Bill with a view to safeguarding the public interest and to give to this harbour board the regulation and control of private property only when we have safeguarded the rights, either of the Crown, in so far as its property is concerned, or of private individuals, in so far as their property is concerned. The Bill, by section 15, proposes to give to this board the absolute right to control the mode of improvement of all property fronting upon that harbour whether owned by the Crown or private individuals.

Mr. TAYLOR: The hon. gentleman must recognize that that is governed by section 12 and sections 12 and 15 must be read together. Section 12 specifically excepts the rights of private individuals.

Mr. PUGSLEY: How would my hon. friend propose to amend section 15?

Mr. HAZEN: We would have to amend section 15 in the way suggested by my hon. friend from New Westminster, by inserting the words 'subject to the provisions contained in section 12.'

Mr PUGSLEY: That would do.

Mr. SINCLAIR: Section 6 in my opinion is slightly defective. This corporation, as I understand it, is to be managed by commissioners. Two of these commissioners are to be appointed by the Governor in Council and the third appointed by the four municipalities of Richmond, South Vancouver, Burnaby and Point Grey. I understand that each of these municipalities appoints one man and that the four men appointed by these municipalities are to meet and elect the third commissioner. Provided that two of these municipal representatives voted for a certain individual to fill the place of the third commissioner and the other two voted against, no appointment would be made. I think there should be some provision under which there would be a casting vote given either by the Governor in Council, or some other body, so that we would be sure to have all the municipalities represented on the board.

Mr. TAYLOR: I may say that the municipalities themselves very thoroughly considered that point and they are content to have the section as it appears in the Bill. They did not overlook it and this arrangement is perfectly satisfactory to them.

Mr. PUGSLEY: If litigation arose and a court were called upon to consider this legislation it would be no answer to say that the parties themselves were satisfied. The judges interpreting the statute would ask what wisdom or judgment had Parliament to bring to bear upon the subject. As my hon. friend from Guysborough (Mr. Sinclair) points out, the clause may be unworkable if we do not make any provision, such as Parliament ought to make, for the case of a casting vote. Suppose any question did arise, what would the courts say as to the wisdom of this Parliament in passing legislation of that character? The court would not know that my hon. friend from New Westminster (Mr. Taylor) had assured Parliament that he and those for whom he is acting were perfectly satisfied with this provision. The court would say: what was Parliament thinking of when it enacted legislation of this character which might result in the whole proceedings of the corporation being blocked in case there should be an equal difference of opinion between the four men appointed by these municipalities. Surely my hon. friend ought to consider that and make an amendment which would make the Bill as perfect as possible.

Mr. TAYLOR: The hon. gentleman does not seem to realize that a member of Parliament introducing a Bill at the request of a municipality is simply the servant of that municipality, and that they, having fully considered the matter and having instructed him that this was what they wanted, he cannot very well come to the House and say that this is not what they want, but that they should have something else. If they failed to elect a third member to their board, they would be the sufferers, but I cannot conceive of their failing to make such an election.

Mr. HAZEN: It would be a very simple matter if they failed to make an appointment to refer the matter to the Chief Justice of the province or someone else in whom they had confidence, but the trouble is that, if two municipalities vote one way and two the other, the whole thing is blocked and nothing can be done. While there might be an understanding at the present time, yet this Bill will be operative for a great many years and perhaps long after those who are promoting it will have passed away, and therefore it would be a mistake, I think, not to have some provision under which a deadlock of that sort could be relieved.

Mr. TAYLOR: I would suggest that in case of a deadlock the third should be appointed by the Governor in Council.

Mr. PUGSLEY: There is no objection to that.

Mr. TAYLOR: You might very well arrange that under section 8, which provides for the case of a vacancy occurring, should the municipalities fail to appoint, the Governor in Council can make the appointment. It might also be provided that in case of the municipalities disagreeing the Governor in Council might make the appointment.

Mr. HAZEN: Perhaps we had better let this stand.

Section 6 stands.

On section 8—filling of vacancies:

Mr. PUGSLEY: As this section is to be amended we had better let it stand so that it may be considered in connection with section 6.

Section stands.

On section 19—borrowing powers:

Mr. PUGSLEY: It seems doubtful whether the corporation should be given unlimited power to borrow; is it not usual to provide that the borrowing should be

done only with the approval of the Governor in Council ?

Mr. WHITE (Minister of Finance): Let the clause stand.

Progress reported.

GEORGIAN BAY CANAL COMPANY.

House in Committee on Bill No. 45, respecting the Montreal, Ottawa and Georgian Bay Company.—Mr. White (Renfrew).

On section 2—issue of bonds:

Mr. OLIVER : What is the purpose of this Bill ?

Mr. WHITE (Renfrew): The amendment is to increase the bonding power from $100,000,000 to $175,000,000.

Mr. OLIVER : I thought it was the understanding of Parliament that this Georgian Bay Canal Company should not be enlarged in its rights while it was being continued in existence. The idea was that it was not considered advisable by Parliament to wipe the company out of existence, but that Parliament should not further strengthen its position, because if at some future time the country would decide to build the Georgian Bay canal, a private company holding rights on that territory and in connection with that enterprise would be an impediment to the expected and hoped-for action of the Government. To put it shortly, and I hope not offensively, I understood the view of Parliament to be that this company might get into a position, if it was not already in that position, of a hold-up on the Government, and that it was not therefore advisable to strengthen it further, but merely to continue whatever rights it had. I would hope that the Government, being charged with the responsibility on behalf of the country in regard to this canal, should see that this Bill does not further strengthen the position of the company against the country, which must some time come to a decision on the issue if the canal is ever to be constructed.

Mr. DEVLIN: Perhaps I may be allowed to say to the hon. member (Mr. Oliver) that by this Bill the Georgian Bay Canal Company do not seek any increased power. They simply seek for an increased bond issue from $100,000,000 to $175,000,000. Owing to the increased cost of construction generally, they wish to be in a position to undertake the work, should the Government decide that the canal is to be built by a private company instead of by the Government itself.

Mr. SINCLAIR: Is it intended to put these bonds on the market?

Mr. PUGSLEY: Not for a while, I should think.

Mr. PUGSLEY.

Mr. DEVLIN: I understand that the company which would undertake to build the canal is in a position to put up all the capital necessary.

Mr. OLIVER: I would very respectfully ask an expression of opinion from the Government in regard to this very important matter.

Mr. COCHRANE: Section 43 of the original Act is re-enacted here of course and I should think it amply protects the Government in regard to taking the work over, inasmuch as should the Government at any time decide to do so they have only to pay the actual expenses.

Mr. OLIVER: Does not this proposed increase of the bonding powers strengthen the position of the company as against the Government, should at any time the Government undertake to construct the canal?

Mr. DEVLIN: No.

Mr. OLIVER: I should like to have an expression of opinion from the Prime Minister.

Mr. BORDEN: In view of the provision of the original Act which has been cited by the Minister of Railways, I should think not. If my hon. friend has any suggestion, I would be very glad to consider it, and have the Bill held over for that purpose, if necessary. At the moment I do not see how it would strengthen the position of the company, if they are entitled only to consideration in respect to actual expenditure. It certainly could not improve the position of the company, unless it were acted upon in some way, it would come down to the question of actual expenditure, so far as I understand the matter.

Mr. OLIVER: It is rather an important question, and has been brought up for consideration from the point of view which I have already expressed.

Mr. BORDEN: There is no reason why it should not be discussed.

Mr. OLIVER: After authority has been given to increase the amount of bonds that this company may issue, if the company acts on that authority, it will certainly be more difficult for the country to take over the enterprise. Supposing this company issues $175,000,000 of bonds, then $175,000,000 of private interests have to be settled for before the country can take over the enterprise. As it stands at present, the total amount of bonds would be one hundred million dollars. Supposing the company had acted to the limit of authority that has been given it, the country would have to overcome only one hundred million dollars. It strikes me that there is a very

radical difference between the present and the proposed issue, assuming that the time will come when it will be desirable for the country to take over the enterprise as a national work.

Mr. LANCASTER: I think there is a little misapprehension on the part of my hon. friend from Edmonton as to the effect of the enactment. If the hon. gentleman will look at clause 5 of the Bill as originally printed, he will see that we have not made any amendment to it in the Railway Committee. Clause 5 of the Bill is:

Nothing in this Act shall affect or impair the rights of the Government of Canada under or by virtue of the provisions of the section substituted by section 5 of chapter 128 of the statutes of 1906 for section 43 of chapter 103 of the statutes of 1894.

That section is continued in force here without any change as follows:

His Majesty, his heirs and successors may at any time assume the possession of, and the property in, the said canals and works, and of and in all the rights, privileges and advantages of the company on giving to the company one week's notice of intention to do so; and thereupon all property in the said canals, works, rights, privileges and advantages shall become, and thenceforward shall be vested in His Majesty, his heirs and successors; and by way of compensation His Majesty shall pay to the company the value of the work actually done up to the time of the giving of such notice in surveying, and in the making of plans, and otherwise upon the ground, together with the value of all tangible property of the company of which possession may be so taken, such values to be fixed by three valuators, or the majority of them, one valuator to be chosen by His Majesty, another by the company, and the third by the two so chosen.

The hon. gentlemen will, on reflection, see that there is the same amount of damages whether the bonding powers be one million dollars or twenty million dollars. The Government is not responsible for a cent more under this than it would have been if the bonding powers had remained at $35,000,000, as they were in the first charter. In the Railway Committee we spent two days upon the question to make sure that that was the effect of the section, and the committee were sure that we were amply protected in the matter which the hon. gentleman has brought up.

Mr. OLIVER: I do not wish to be thought as opposing the Bill, but I must say that the statement of my hon. friend does not seem to me to meet the point that I raise. If the company is authorized to issue bonds, then this Parliament cannot ignore in equity, and I do not think would be allowed to ignore in law——

Mr. LANCASTER: We have a positive enactment, a positive condition.

Mr. OLIVER: Even if the positive condition is there, I do not think that Parliament should, as a matter of right, ignore the fact that the authority which it had given had been acted upon, and that third parties, that is parties other than the Government or the company, bondholders drawn from the public, had been brought into the arrangement. If bonds are issued under the express authority of this Parliament, I submit that this Parliament at any future time could not ignore the liability.

Mr. COCHRANE: You would not buy a bond with that condition in the Act?

Mr. OLIVER: I am sorry to say that I would not be buying any bonds at all.

Mr. COCHRANE: I am only putting it in that way.

Mr. OLIVER: I do not think that is a proper way to put it. This Parliament should not authorize an act that may be carried forward and become, as a matter of right, a liability which this Parliament, at some future time, under circumstances that we expect will take place, would have to assume. The supposition that nobody would buy the bonds that we are authorizing in this case is not sound. We do not know what representations would be made to induce people to buy these bonds, or at what price they might be sold. Bonds are sometimes sold very much below par. It is conceivable—I do not say it is going to be the case—that this company may issue bonds which this Parliament has authorized it to issue, and these bonds having been issued, if this Parliament or the Government of Canada should desire at any future time to enter upon the construction of that canal, they would have to settle for those bonds as a part of the claims of the company. I would be perfectly satisfied if the Government would say here and now either that there is a responsibility which is covered by the addition of this bonding privilege, or that there is not such a responsibility. If the Government will say on its responsibility as a government that the assent of the House to this amendment does not as a matter of fact affect the situation, I am satisfied; but I want that statement on the responsibility of the Government.

Mr. BORDEN: I have given the hon. gentleman my view already. Supposing a hundred million dollars of bonds were issued, my hon. friend apprehends that notwithstanding the provisions in the original Act, there might be some claim on the part of those bondholders.

Mr. OLIVER: Yes.

Mr. BORDEN: It certainly would not be a legal claim; he is alluding to some

moral claim that might be put forward and presented in this House on the ground that some injustice had been done to them.

Mr. OLIVER : Yes.

Mr. BORDEN : His view is that when you increase the limit of the bonding powers, you increase the danger from a source of that kind.

Mr. OLIVER : Precisely.

Mr. BORDEN : We will pass the clauses and let the Bill stand to Committee for consideration.

Section 3—time for construction of canals extended:

Mr. LANCASTER: The first amendment is to substitute the word 'put' for the word 'have' in line 19. The word 'all' for proper grammatical effect, is struck out of line 23, and after '1894' the words 'and amendments thereto ' are added, so that the company will have the powers originally granted, as well as those conferred by subsequent amendments. The word 'or' in line 26 is taken out, and the word 'and' substituted, making the phrase 'put in operation ' additional and not alterative.

On section 4:

Mr. LANCASTER: By an amendment to this section, we re-enact a provision introduced last year regarding provincial rights as follows:

Nothing in this Act or in any other Act governing or affecting the company shall be construed to authorize or empower the company to enter or take, or use the public lands of the province of Ontario or Quebec without the consent of the Lieutenant-Governors in Council of the respective provinces, except to the extent necessary for the purpose of constructing the canal and necessary works incidental thereto, and for the purpose of developing power necessary for the operation of the canal.

Progress reported.

HURON AND ERIE LOAN AND SAVINGS COMPANY.

House in Committee on Bill No. 57, respecting the Huron and Erie Loan and Savings Company.—Mr. Beattie.

Mr. OLIVER: Will the promoter please state briefly the purpose of this Bill?

Mr. WHITE (Minister of Finance): The hon. gentleman who promoted the Bill is absent, but I may say that the Huron and Erie is a well-known loan company, with head offices in London. In 1905 the company obtained an amendment to its corporate powers under which it was authorized to incur liabilities by way of this issue of debentures and receipts of deposits to an amount equal to four and three-quarter times the amount of its paid-up capital. The company's reserve has now increased, and it is proposed to substitute the word 'five' for 'four and three-fourths.' The matter was fully discussed in committee and the recommendation was made without a dissenting voice. The company has pursued a good policy with regard to its shareholders, and has set aside a very large reserve, equal, I think, to its paid-up capital. The company explained that before coming to Parliament they had consulted their agents in Great Britain, who were entirely willing that this additional power should be sought—a power which gives them the right to issue about $600,000 worth of additional debentures, that amount being available for loans throughout Canada and particularly in the West.

Mr. OLIVER: The minister is himself satisfied that the additional power is covered by increased assets?

Mr. WHITE: Entirely so. There seems to be no objection whatever to the added power being given.

Bill reported.

NORTHWEST GUARANTEE AND ACCIDENT INSURANCE COMPANY.

House in Committee on Bill No. 46, respecting the Northwest Guarantee and Accident Insurance Company.—Mr. McKay.

Mr. OLIVER: I think the committee has not been made aware of the purpose of the Bill, and a short explanation would be in order.

Mr. McKAY: This Bill follows the model Bill provided by the Insurance Act of 1910, and clause 7 sets out the objects for which the enactment is sought. If the hon. gentleman requires an explanation in regard to any particular matter connected with the Bill, I shall be glad to furnish him with any information he may desire.

Mr. OLIVER: I merely wish to have on record a responsible statement as to the scope and purpose of the Bill. I have no objections to urge as against it.

Bill reported.

CANADA WESTERN TRUST AND MORTGAGE COMPANY.

House in Committee on Bill No. 29, to incorporate the Canada Western Trust and Mortgage Company—Mr. Meighen.

On section 1—incorporation:

Mr. WHITE (Minister of Finance): This is an incorporation in the usual form. Changes have been made in the name and in some minor provisions throughout the Bill. It follows the form of previous mort-

gage company incorporations. The purpose of the company is to make loans upon real estate and other securities throughout Canada. Powers are given to issue debentures and accept deposits in the usual way.

Mr. OLIVER: The tendency is always to enlarge on the model Bill, and if there are any departures from the model Bill it would be acceptable if the minister would call attention to them.

Mr. WHITE: There are no variations in what we call the model Bill. All these Bills are very carefully considered in the Banking and Commerce Committee, and the committee is very jealous of any enlargement of the powers granted under the model Bill.

Mr. OLIVER: It seems to be largely capitalized.

Mr. WHITE: $400,000 subscribed and $100,000 paid up. There is no precedent as to the total amount of capital that may be authorized in the case of such companies.

Mr. OLIVER: It seems to me the amount to be paid up is small compared with the capital.

Mr. WHITE: The Bill follows the usual form and precedent with regard to the amount required to be paid up. As to the amount of authorized capital, that may be as much as they desire, but of course the capital must be furnished.

On section 7—limit of time for securing certificate:

Mr. OLIVER: Is it usual to provide that the time may be extended by Order in Council?

Mr. WHITE: I think it is the same provision as is in what we regard as the model Bill.

Mr. OLIVER: I think it is not a proper provision.

Mr. WHITE: A condition might arise under which it would be inequitable not to extend the time, and it is safeguarded by being under the control of the Governor in Council.

Mr. OLIVER: I do not wish to hold back the Bill. If this is in accordance with the model Bill, I am satisfied to let it go through without discussion.

Mr. WHITE: If my hon. friend will allow this particular clause to stand, I shall look at the model Bill. Of course, I am not in charge of the Bill.

Mr. OLIVER: Perhaps the promoter could answer that.

Mr. MEIGHEN: I am not certain whether it is in accord with the model Bill, or whether it is a provision from the Companies Act. I do know, however, that this Bill was submitted to the Finance Department, that Mr. Fitzgerald made very considerable alterations and offered many suggestions, most of which were accepted by the promoters; and that as to clause 7 there was none; so I presume, that there is nothing extraordinary in that clause. My own idea is that it is provided for in the Companies Act, but, of course, unless it is in part II of the Companies Act, it does not become incorporated in this Bill, except by special enactment. I think the provision is from the Companies Act.

Mr. OLIVER: It does not strike me as a proper provision that there should be an extension at the will of the Governor in Council. We are giving Parliamentary authorization for the establishment of a company on certain terms and conditions. and I think it is fair, if those terms and conditions are not fulfilled, that Parliament itself should be the only authority to give an extension of time. I do not wish to argue the point at any length, but that seems to me a fair proposition, and I wish to go on record as holding that view.

Section 7 stands.

On section 9—powers of agency association:

Mr. OLIVER: I would like to ask an explanation of the words 'agency association' in the side note.

Mr. MEIGHEN: Clause 9, in so far as it enables the company to act as an agency, has only this effect. The company are empowered to establish the relationship of principal and agent between the party who advances the money and themselves. Were clause 9 not there, instead of the relationship of principal and agent, they would simply be in the position of two contracting parties, the debenture holder and the company. This clause enables the company to establish another relationship, not that of trustee, but of principal and agent.

Mr. OLIVER: Is that the usual authority given to such companies?

Mr. MEIGHEN: I know it has been given many times.

Section agreed to.

On section 11—borrowing powers, deposits, limitation liability to the public:

Mr. OLIVER: I want to be clear about this limitation liability to the public.

Mr. MEIGHEN: That was threshed out very fully in Committee. The effect of it now is this. The total possible liability of the company to the public, inclusive of its liability for moneys deposited and moneys

borrowed, must not at any time exceed four times the amount of the paid-up capital stock.

Mr. OLIVER: Does it mean that the public are not able to recover against the company over that amount?

Mr. MEIGHEN: No. If the company exceed their powers, and incur a liability in excess of their powers, they would not be able to relieve themselves of that liability on the plea of ultra vires.

Mr. OLIVER: As it reads to me, as an ordinary citizen, it would be possible to put that construction upon it.

Mr. MEIGHEN: Oh, no. The company could be restrained by injunction from using debentures beyond the amount restricted in the Bill, but if the company were not restrained, the parties loaning the money would have recourse against the company.

Section agreed to.

On section 12—decrease of capital:

Mr. OLIVER: Is it usual to give a company the power to decrease its capital stock without referring to any other authority?

Mr. MEIGHEN: Yes, that authority is usual enough. I think the way it is usually worded is that the company may decrease it by any amount not less than $100,000. That was the way it was worded here, and the Committee raised the amount from $100,000 to $500,000.

Mr. OLIVER: Without any reference to the Minister of Finance or to the Governor in Council or to any other higher authority?

Mr. MEIGHEN: Yes.

Section agreed to.

On section 15—issue of debenture stock:

Mr. OLIVER: Would the promoter be good enough to give the committee a statement as to the meaning of the term 'debenture stock' as contained in this section?

Mr. MEIGHEN: Palmer, an authority on company law, defines the difference between debentures and debenture stock as being the same as the difference between a mortgage and a mortgage deed. I do not know that the definition makes it much clearer to my hon. friend's mind.

Mr. OLIVER: You are absolutely right.

Mr. MEIGHEN: That is the definition which is given by the leading authority on company law. My hon. friend the Minister of Finance has another way of putting it. It is simply a matter, in so far as I understand it, of putting the debenture indebtedness of a company into another form. The Minister of Finance gave an explanation at the meeting of the Banking and Commerce Committee and I think it would be well if he would give the same here. It did not quite agree with my understanding, but it may make it clearer to my hon. friend.

Mr. WHITE (Minister of Finance): Debenture stock is a very well known term. Probably the hon. gentleman is familiar with what are known as debentures that pass from hand to hand. A debenture is the obligation of a company to pay a certain amount at a certain time with interest at a stipulated rate. It is usually under seal and it is simply an evidence of the obligation of the company to repay sums for which it has received consideration at a stipulated date and at a stipulated rate of interest.

Mr. OLIVER: Is that transferable without record?

Mr. WHITE: That is transferable from hand to hand. Railway and traction companies and other companies that issue debentures or bonds sometimes use the words 'interchangeably' with regard to that type of security. It is an obligation to pay $100, $500, or $1,000 at a certain date and at a certain time. These securities pass from hand to hand and are negotiable. Debenture stock is what they call inscribed stock and it is similar in character to the inscribed stock of the Dominion. Debenture stock was invented to meet this condition, that if you have a debenture payable to bearer and if you lose it, you are apprehensive about it because some one else may find it and pass it on to a third party without notice of the fact that he is not the owner. In England they do not like debentures that pass from hand to hand. They like what they call inscribed or debenture stock. Debenture stock is precisely the same as a debenture in so far as the obligation is concerned except that, instead of it passing from hand to hand as a negotiable security, the name of the holder of the stock is inscribed in a book kept by the company for that purpose. For example, if A is the owner of a thousand dollars of debenture stock and A wants to transfer it to B, instead of handing over to B a debenture payable to bearer, he sends his attorney into the office of the company and makes the transfer in the books of the company just the same as you would register a transfer of stock. In other words, debenture stock is safer from the standpoint of the holder and of the company itself. The provision in this Act for the issue of debenture stock is quite a usual one in connection with loan companies.

Mr. OLIVER: Does this debenture stock carry the right to vote?

Mr. WHITE: The word 'stock' is confusing. It is not at all analogous to the stock held by the stockholders in a company. Ie represents an indebtedness on the part of the company just the same as a debenture would be. It is transferred in the way that I have described, the idea being to prevent loss. It is a usual provision, I can assure my hon. friend.

Mr. OLIVER: What I wanted to be clear upon was whether it carried any voting authority?

Mr. WHITE: No.

On section 18—cancellation of debenture stock:

Mr. OLIVER: Is it usual to allow a company to buy up its debentures?

Mr. WHITE: A company buying up its debentures, with, of course the consent of the parties who hold them, is reducing its indebtedness. The Dominion has in all its loans a sinking fund provision under which it buys in its own obligations and in that way reduces the debt. It is a very proper clause.

Mr. OLIVER: I was under the impression that it was not allowable, the idea being that a company, if it were not honest, might wilfully depress the value of its debentures in order that it might buy them up at less than their face value.

On section 22—power to acquire business of other companies:

Mr. OLIVER: That power is very wide. Is it usual?

Mr. WHITE: It is a usual power. Companies are permitted to acquire the undertakings of other companies carrying on a similar business, provided they comply with the requirements of the statute. The requirements usually are that the agreement for sale and purchase must be approved by the shareholders of both companies at a meeting called for the purpose; that a certain percentage of the shareholders shall vote in favour; and that the agreement to become effective must be approved by the Treasury Board. I should imagine that is a provision to safeguard the rights of the minority.

Mr. OLIVER: It would appear to me that the business of a mortgage company is somewhat the same as the business of a bank, and I would ask the Finance Minister if he thinks it advisable that he should be empowered to verify the information which the Act provides these mortgage companies shall furnish to him annually. The Bill provides that in the public interest the company shall make certain statements to the Finance Minister as to its business, but I do not see any penalty for failure to furnish these statements or any provision by which the minister can verify them.

Mr. MEIGHEN: Subsection 2 of section 26 provides a penalty for default under section 26, and the general Companies Act which is applicable to this company also provides a penalty.

Mr. OLIVER: There is no provision for verification of these returns by the minister?

Mr. WHITE (Minister of Finance): That raises a very large question. These loan companies make returns showing the amount of their indebtedness towards the public, the amount of their securities, their assets, their liabilities, and the average rate of interest; it provides also that classes of securities shall be distinguished. But so far as to make it incumbent on the minister to go into the business of any one of these companies to verify the statement, it would be a large order for the Minister of Finance to inquire into the character and value of the different securities. The general Companies Act imposes penalties for false returns.

Mr. MEIGHEN: What would my hon. friend (Mr. Oliver) suggest to empower the minister to investigate and verify?

Mr. OLIVER: I am not making any suggestions, but I would point out that if it is in the public interest that the minister should be informed as to the details of the business of the company, it goes without saying that he ought to be able to satisfy himself that the information given to him is accurate.

Mr. MEIGHEN: Do you mean by external inspection or audit?

Mr. OLIVER: I am not suggesting anything.

Mr. MEIGHEN: The Companies Act requires the officers of the company to make their statements under oath.

On section 7—extension of time:

Mr. WHITE: This clause was allowed to stand, and I find that its words are precisely the same as the words in a similar section of the British Western Loan Company's Act, which is considered to be a model Bill.

Mr. OLIVER: I do not intend to oppose the provision in the section, but I wish to go on record as giving my opinion that it is not a proper provision.

Bill reported.

WESTERN CANADA MORTGAGE CORPORATION.

House in Committee on Bill No. 62, to incorporate the Western Canada Mortgage Corporation.—Mr. Stevens.

On section 32—preference stock:

Mr. OLIVER: In regard to section 32, this Bill does not follow in detail the Bill that we have just passed. I think there is no provision for preference stock in the other Bill. If there is, I overlooked it. As the section is worded, it seems to me that it gives a very wide authority to the directors of the company. I should like to have a fairly close understanding of the matter.

Mr. WHITE (Minister of Finance): If my hon. friend will look at sub-section 3 of section 32, he will observe that:

No such by-law——

That is to say, for creating and issuing any part of the capital stock as preference stock—

—shall have any force or effect until it has been sanctioned, either by the shareholders in writing or by a vote of the shareholders present or represented by proxy at a general meeting of the company duly called for considering it, such shareholders holding not less than two-thirds of the amount paid up upon the capital stock of the company.

As I understand it, that means that if the shareholders desire to create a preference as between themselves, their doing so would not in any way affect the rights of the public. Therefore I see no objection to the section. It is generally recognized, I think, that preference shares in companies may be created, if safeguards are provided such as the one set forth here, that is, it must be by a vote of two-thirds of the shareholders.

Mr. OLIVER: I am not asking the question as between the shareholders and the public, but as between the different shareholders of the company. On a casual reading of the section, it seems to me that there is an opportunity for an aggressive group of shareholders to promote certain interests which they desire to promote at the expense of the other shareholders. If such a section as this is to be embodied in the Bill, I think the interests of all the shareholders should be amply protected.

Mr. TURRIFF: I do not think there is any likelihood of the shareholders suffering in a case of that kind. Usually when common shares are issued and paid up, the company wanting to get more money for loan purposes, issues preference stock. This is a preference in so far as common stock is concerned, but it has the effect of making the common stock of more value than if the preference stock had not been issued, because under the preference stock they are able to secure money at good rates of interest. It does not, therefore, depreciate—it rather appreciates—the value of common stock, and if two-thirds of the holders of common stock are agreeable, I think the matter will be satisfactorily dealt with.

Mr. OLIVER: It is not provided that two-thirds of the stock must support this preference, but that two-thirds of the stock shall be represented, and the majority of that representation shall make the decision.

On section 45—term for which land may be held:

Mr. OLIVER: What is the effect of that provision?

Mr. WHITE (Minister of Finance): In every general election act relating to companies, there is usually a clause providing certain limitations and conditions under which the company may hold lands. This special provision applies to land which the company may acquire, to the conditions upon which it may be held or forfeited, and in some cases, to the extension of time which may be given by the Crown.

Mr. OLIVER: What is the actual effect of this clause in operation?

Mr. WHITE: The company disposes of its lands within the time limit provided in its Act of incorporation; otherwise a forfeiture may take place, unless it is relieved by the Crown.

Mr. BORDEN: I think this a provision usually made in such cases to prevent the possibility of the land being tied up in corporate ownership. The company may have to buy land on which it holds a lien, and this section provides that it must get rid of it within ten years.

Mr. OLIVER: The ordinary individual would assume that if the company had bought and paid for certain lands, it was entitled to hold them under the same conditions as a private individual; but this and other Acts say it shall not. In practice, will this work any hardship on the company, or will the company simply get around the provision?

Mr. WHITE: The basis of all this legislation is really the old mortmain doctrine, which, acting under the principle that the corporation was effected in perpetuity, considered it against the public interest that the company should hold lands forever. In actual practice, I believe the companies observe this clause, otherwise there would be a forfeiture.

Mr. OLIVER: In the city of Edmonton the National Trust Company and the Canada Permanent Mortgage Corporation have both built very fine buildings. If these companies are subject to such a provision as this, it may be a very great hardship.

Mr. WHITE: I would call the attention of my hon. friend to that section of the clause which makes an exception of land in actual occupation by the company.

Mr. OLIVER: In the two cases I have mentioned, while these companies occupy a portion of the buildings they have erected, they do not by any means occupy the whole of them, or perhaps even one-half of them. It seems to me there is a question as the whether or not they are occupying this property for themselves.

Bill reported, read the third time, and passed.

At six o'clock Committee took recess.

After Recess.

Committee resumed at eight o'clock.

CANADA PERMANENT MORTGAGE CORPORATION.

House in Committee on Bill No. 66, respecting the Canada Permanent Mortgage Corporation.—Sir Edmund Osler.

On section 1—charter amended:

Mr. OLIVER: This is a somewhat difficult Bill to follow. It is an amendment of another statute, and an explanation would be of assistance to the members.

Mr. BARKER: This Bill was introduced by Sir Edmund Osler, but I have a general knowledge of the facts about it. The Canada Permanent, as all people in Ontario know, is one of the oldest and strongest of the loan societies of Ontario. They have asked a few amendments to the ordinary provisions of their charter, for example, as to the election of directors. They simply want a provision that at a general meeting the stockholders present may, upon reasonable notice, provide for a change in the directors—not more than twenty nor less than ten. There are one or two small amendments in regard to debentures, none of which are important, and a provision enabling the company to purchase fractional shares that may be left provided it sells them again within a short period.

Mr. OLIVER: As long as the provisions are in accordance with precedent, as the hon. gentleman has assured the House, I think that is entirely satisfactory. The company is, of course, very well known and of very high standing.

On section 2—debentures, bonds, &c.:

Mr. PERLEY: The Canada Permanent is organizing the Canada Permanent Trust Company, the next Bill on the Order Paper, and they intend to take nearly the whole of the stock of that company. It is for the purpose of having a trust company closely allied to the Canada Permanent, and this provides that they may take a larger amount of stock in the Canada Permanent Trust Company than they are allowed to take in any other trust company because it is really their own company.

On section 3—consolidation and division of shares:

Mr. OLIVER: I notice that in the Bank Act in such a case special provision was made for protecting the rights of holders of fractional shares. I do not see a corresponding provision here.

Mr. BARKER: This was suggested in the Committee, and the section has been put in to avoid any difficulty of that nature. At the same time it is quite clear that a company such as the Canada Permanent is an absolutely secure basis for any person who may have a fractional share; they cannot remove that fraction without buying it in, it will remain there until it is bought in and they take authority here to buy it in.

On section 5—sections of the Companies Act which shall not apply:

Mr. OLIVER: These sections which shall not apply to this company are of the same nature as in the case of other companies; that is to say, there is no repeal in this section of an important section of the charter?

Mr. WHITE: No; my hon. friend is correct.

Bill reported, read the third time and passed.

CANADA PERMANENT TRUST COMPANY.

House in Committee on Bill No. 67, to incorporate the Canada Permanent Public Trustee Company (as amended, and recommending that the title be changed to the Canada Permanent Trust Company)—Sir Edmund Osler.

Mr. OLIVER: I would like an explanation of this Bill.

Mr. BARKER: The only important change is as to the designation of the company. It was proposed to call it the Canada Permanent Public Trustee Company, but in the committee the use of the word 'public' with regard to what was a semi-private company was objected to, and the company agreed to strike it out. It was the wish of the late Minister of Finance that there should be no appearance of

giving a public or Dominion character to any chartered corporation, and it was thought that the use of the word 'public' would be infringing upon that principle. I remember that Mr. Fielding was very strenuous upon that point, and I always supported him. Certain banks got titles that to-day would not be given to any institution of that kind.

Mr. OLIVER: My hon. friend's explanation hardly bears on the question I asked. I want to know the reasons for granting this charter to a subsidiary company, as I understand it, to be under the Canada Permanent Mortgage Corporation.

Mr. WHITE (Minister of Finance): There is not only precedent for it, but I think it would be of very great advantage, not only to the company, but also to the public. The Huron and Erie Loan Company has a subsidiary company. I think its name is the Canada Trust Company, and this Canada Permanent Mortgage Company is authorized to hold the shares of incorporated companies. There is a great deal of business that goes to a loan company that can be advantageously handled with the assistance of a subsidiary trust company. Apart from that, the Canada Permanent Mortgage Company, under its original incorporation, was clothed with the powers of a trust company, and can, I believe to-day, certainly could, act as trustee; and now they propose, to the extent of $200,000 I think of their capital, to invest in the shares of this Canada Permanent Trust Company and to carry on the business of trustee, executor and agent. I may say that they have also taken up the question, as did the Huron and Erie Company, with their agents abroad, so that no question is involved so far as the debenture holders or shareholders are concerned. The amount of the Canada Permanent Mortgage Company's reserve is I think $6,000,000, so that it is only a very small percentage indeed of their reserve that is invested in the shares of this particular company. Such companies are not prohibited by law, speaking generally, from investing in the shares of other incorporated companies. The principal loan companies own shares in companies of this kind. As I have said, there is not only precedent for it, but the trust company will, I have no doubt, render good public service, and, in connection with the Canada Permanent, will assist very materially in the loaning business and in other business which it can undertake throughout Canada. With regard to the name, the words 'public trustee' are objectionable because in England there is a functionary known as a public trustee who is a government trustee.

Mr. BARKER

Mr. OLIVER: My hon. friend knows there is a growing feeling in the minds of the public that there is more of this interlocking directorates of financial institutions than is really good for the public. My reason for asking specifically for an explanation in this case was to find out what extension of power or authority the Canada Permanent Mortgage Corporation might expect to get through the organization of this subsidiary company, and how much added burden of responsibility is placed upon its present reserve. I take it for granted from my hon. friend's explanation that the purpose of this company is to give the Canada Permanent Mortgage Corporation power to handle a class of business that it is not now authorized to handle, and that it is to handle this business on a part of its present capital. Am I correct in that understanding of the case?

Mr. WHITE: My hon. friend uses the words 'on a part of its present capital.' As I pointed out, the amount which could be distributed among the shareholders of the Canada Permanent Mortgage Corporation, if they were so disposed at any time, is $250,000 which is very insignificant compared with the reserve, so that there is no impairment of capital. A very small percentage of the reserve is invested in this. Of course, it is to be presumed that the trust company will carry on its business properly, and if they do so, it should be an advantage, and not in any way a detriment. It will enable the Canada Permanent Mortgage Corporation to throw a great deal of business in the way of the trust company and vice versa, and if the two businesses are conducted properly, as they always have been in the case of the Canada Permanent Company, you will have a loan company and a trust company carrying on their business to the decided advantage, I hope, of the public and of the shareholders and debenture holders.

Mr. OLIVER: I am not questioning the substantial character of the Canada Permanent Mortgage Corporation, or suggesting that the organization of this company under the terms set out in the Bill is going to have any detrimental effect upon the Canada Permanent. I wish merely to get clearly before the Committee just what the relationships are. I take it that the description I gave is practically correct. I imagine that if there is any company in Canada that might very well claim the right or privilege to organize a subsidiary company such as this, it would be the Canada Permanent. I do not want to be understood as suggesting anything to the contrary, but as I have said, public opinion

is somewhat acutely interested in the organization of financial institutions at the present time, and it is desirable that we should know exactly what the effect of any legislation we pass is likely to be. May I put the case in this way for the purpose merely of eliciting information? Is the position between the Canada Permanent Mortgage Corporation and this proposed trust company in any way analogous to the position of a chartered bank which was, in some manner, empowered to run a private bank in connection with its business, so that while the bank itself was under the control of the Bank Act, it could derive additional and extraordinary profits by means of business transacted through this subsidiary, outside, or private organization? Is the purpose of the organization of a trust company in connection with a well established, conservatively and honourably conducted mortgage corporation, to enable that corporation, by means of this subsidiary organization, to enter upon transactions which it would not be enabled to enter upon in its capacity as a mortgage corporation, which transactions might be expected to yield a larger measure of profit than would be derived from transactions such as it is entitled to enter upon under its present charter? If this is not the purpose of this proposed subsidiary organization, I am somewhat at a loss to understand what its purpose is. If it is to widen the scope of the original company without increasing its responsibility beyond a certain, limited, fixed amount, we would like to know it.

Mr. WHITE: The Canada Permanent Savings and Loan Company, with respect to investment in shares of incorporated companies, such as this trust company, is very much more limited even under this legislation which we are now adopting than other loan companies which we have incorporated.

Mr. OLIVER: I do not want to be understood as opposing this Bill or challenging this trust company at all. I only want to understand it.

Mr. WHITE: Well, if I take it this way, I think my hon. friend will see that not only is this proper in so far as the Canada Permanent is concerned, but that it is more restricted than the average loan company which has been incorporated by this Parliament within the last few years. I call my hon. friend's attention to the Bill which we had under review before six o'clock. That company, as in the case of other loan companies carrying on the same business as the Canada Permanent, is authorized to purchase or invest in the debentures, bonds, stocks and other securities of any government, or municipality, or school corporation, or of any chartered bank or incorporated company being incorporated in Canada. What does that mean? It means that any loan company, such as those we have been incorporating in recent years in this Parliament, may invest its funds in the fully paid-up shares of any trust company, because the trust company is an incorporated company incorporated in Canada. In the case of the Canada Permanent there was a limitation in their original Act which did not permit them to go quite to the length of investing $250,000 in the shares of the trust company. They point out that in the first place they had partly the powers of a trust company in their original charter, that their reserve is several millions which they could distribute, if they desired, among their shareholders, and that this $250,000 is a very small percentage of the reserve. As all other loan companies are incorporated and are permitted to purchase the shares of incorporated companies, including trust companies, they ask that, to the extent of $250,000, they would be permitted to invest their surplus funds in the shares of this trust company. I have no doubt whatever that the application is not only made bona fide but that the business of the trust company will be carried on as the business of any other trust company is carried on and that the directors, as they will be such men as are connected with the Canada Permanent Company, will see that the business is conducted properly. The result is that while, in a sense, their powers are enlarged, they are only the powers which we have been giving to trust companies, the proper exercise of which will enure not only to the benefit of the public but to that of the shareholders. A loan company has many opportunities, not in an improper way, but in a proper way, of turning business to a trust company in which it is interested. A loan company carrying on business in a community will earn the good will and favourable opinion of different parties and people may be disposed, when they make their wills, to make them in favour of the Canada Permanent Trustee Company. It seems to me that to deny them these powers would be to prevent them from doing what we are permitting every other loan company to do; in other words, to prevent one of the best mortgage and loan companies in Canada from doing that which we have permitted every other loan company to do. I distinctly understand that my hon. friend is not opposing this Bill but merely seeking for information.

Mr. BARKER: I think the hon. gentleman who put the question had in his mind possibly an effort to get a widening of the opportunities of the Canada Permanent Loan Company. It is the reverse of that. The trust company is far more restricted in its operations than one of those loan companies. It is required to keep its accounts in a far stricter way. Every pre-

caution has been taken in the various charters which have been granted to trust companies to secure people who are not able to look after themselves, such as widows and orphans, the estates of deceased persons and all that. Under this Bill, which is to incorporate a trust company, the Canada Permanent is simply allowed to take stock, but under the charter there will be a great deal more precision in account keeping and more care as to the nature of the dealings of the company than with the ordinary loan company, such as the Canada Permanent itself. It is not an effort to enable the Canada Permanent Loan Company to widen the scope of its business, but it is to permit it to take an interest in a company which would be much more restricted in its operations than the Canada Permanent. People are growing more and more inclined to trust the estates of children, infants and widows to a well conducted trust company under strict rules and obligations than they are to entrust these responsibilities to private persons who may be all right to-day and all wrong to-morrow. The Huron and Erie Company, a few years ago, obtained a similar subsidiary charter, and this company is conducting, with great success, a trust company. But that trust company is bound by special rules which are applicable to a trust, far more stringent and precise as to investments and the keeping of accounts than are the rules applicable to an ordinary loan company. It is for that reason that this Canada Permanent wishes not, strictly speaking, to form a trust company, but to invest in such a trust which, I have no doubt, it will control but will control subject to the rules of the statute which this Parliament authorizes. It is the very opposite of the Canada Permanent trying to secure a looser system of investment. It is to enable the Canada Permanent Company to take stock in a company which will be strictly a trust company, conducting its business in the ordinary and strict sense of the term.

On section 13—power to sell undertaking:

Mr. OLIVER: Does that amendment mean that the sale shall be by a two-thirds vote of the shareholders or by a vote of the majority of the shares at the meeting at which two-thirds of the shares are represented?

Mr. WHITE: I take it that it means a majority at the meeting, but there must be two-thirds of the value of the shares present.

Mr. OLIVER: As a matter of fact, one share more than one-third of the total may dispose of the whole property.

Mr. BARKER: Every shareholder has the opportunity of being present. You have a majority of those attending and in addition the sale must receive the approval of the Treasury Board.

Mr. OLIVER: I think that provision is very good but I want to see what it means. In the case of the disposal of the whole property the decision should not be made without the actual vote of at least two-thirds of the shares and not a majority of two-thirds of the shares.

Mr. BARKER: You cannot compel attendance. You cannot carry your vote unless two-thirds are present to form the meeting. If you say that you must get eighty or ninety per cent there is no means of compelling people to attend. I am sure the hon. gentleman knows how difficult it is to get people to attend especially when a financial concern is going on well. It is very difficult to get two-thirds in value, not in number, at any meeting, and if you get such a meeting and get such a majority and the Treasury Board confirms the decision, you are fairly safe.

Mr. NESBITT: It says two-thirds in value of the shares, does it not?

Mr. BARKER: Yes.

Mr. WHITE: Two-thirds must be present.

Mr. OLIVER: It does not say that two-thirds must vote for the disposal of the property, but that two-thirds must be present at the meeting, and that a majority of those present may dispose of the property. That means that one share more than one-third of the total number of shares can dispose of the whole business.

Mr. NESBITT: That is the way I understand it.

Mr. OLIVER: I did not wish to hold the committee on that, but I wished to find out exactly how it was. I understand it now.

Mr. NESBITT: I understood it the other way. If that section is put in, every other loan company in the country will want the same thing.

Mr. OLIVER: We have already passed it in one Bill to-night.

Mr. BARKER: The meeting, which is not an ordinary meeting, must be called for the approval of this particular proposition. Any gentleman here, who knows about calling meetings, is aware of the difficulty of getting even as many as two-thirds of the shareholders present.

Mr. NESBITT: It says 'by proxy.'

Mr. BARKER: Present in person or by proxy—even that is not an easy matter. Two-thirds of the shareholders being present at the meeting, either in person or

by proxy, the meeting is constituted; the motion is put; it is either carried or lost; if carried, it must be approved of by the Treasury Board. Surely that is a protection.

Mr. NESBITT : I think, as the proposition has to be approved of by the Treasury Board, the protection provided is sufficient. If the people who hold stock in the company do not take enough interest to send their proxies or to be present at the meeting, and if there are not two-thirds of those people, after they hear the explanation of the directors of the company, willing to sell that stock, then I do not think they should be forced to sell. One-third is quite a large minority to be overcome by a majority of two-thirds. I think the principle is absolutely wrong to compel any larger a minority than one-third to sell if they are opposed to selling. If the matter went to the Treasury Board, and those who were opposed to the sale opposed it before that board, it is quite probable that the Treasury Board would not allow the sale. I appreciate that. What I object to is to have such a clause in the Bill, even though it is for the Canada Permanent. We all respect the Canada Permanent, but that does not make any difference. In the Banking and Commerce Committee, we have people coming in every day for new Bills, and they want to obtain everything that the old Bills have given them, and ten times as much more, so that we have to deal with this question constantly. I submit to the minister, who is really responsible for all these finance Bills while he is in that position, that he should not let the Bill pass in that form; it ought to be two-thirds of the stock.

Mr. WHITE : If I remember rightly, my hon. friend, who is usually a very diligent member of the Banking and Commerce Committee, was present when this amendment was made.

Mr. NESBITT : I had to go out before we came to that Bill.

Mr. WHITE : It was pointed out by my hon. friend from Hamilton (Mr. Barker) that the meeting must be called and every shareholder notified. It is rather an extraordinary experience to get two-thirds of the shareholders, fully paid, present. With the provision of the check of the Treasury Board upon the sale, I think the matter is entirely safeguarded. If a minority had any real grievance, they would present their views to the Treasury Board. I think that was considered by the Committee as a very effectual safeguard.

Section agreed to.

Bill reported, read the third time and passed.

CONSIDERED IN COMMITTEE—THIRD READING.

Bill No. 61, respecting the Simcoe, Grey and Bruce Railway Company.—Mr. Middlebro.

Bill No. 57, respecting the Huron and Erie Loan and Savings Company.—Mr. Beattie.

Bill No. 46, to incorporate the North West Guarantee and Accident Insurance Company.—Mr. McKay.

Bill No. 29, to incorporate the Canada North West Loan and Mortgage Company.—Mr. Meighen.

QUESTIONS.

(Questions answered orally are indicated by an asterisk).

MONTREAL DRILL HALL.

*Mr. LEMIEUX:

Is it the intention of the Government to erect a drill hall on Lafontaine Park, Montreal?

2. Has the lease of the above-named park been extended? If so, under what conditions?

Mr. PELLETIER:

1. Not at present, but the militia in that part of the city are requesting the erection of a drill hall at an early date.

2. No change has been made since October 1, 1911.

FENIAN RAID GRANTS.

Mr. DOUGLAS:

Is it the intention of the Department of Militia and Defence to issue a certificate for the payment of the volunteer bounty grant as a Fenian raid volunteer, to Levi Lochiin, of Strathcona, Alberta?

Mr. PELLETIER: This application is on file in the department, but has not yet been reached.

Mr. BELAND:

1. Has the application of Théophile Rouleau, made in the name of his father, Jean Rouleau, one of the veterans, who died in April, 1912, for the bounty received the attention of the Militia Department? If so, has it been accepted?

2. Have the heirs of a veteran, deceased after the sanction of the law passed at the last session (the Fenian Raid Volunteer Bounty Act), the right to the bounty?

Mr. PELLETIER:

1. This application was received on June 28, 1912. It is numbered 11,414, and will be considered in its turn.

2. It is so understood.

HALIFAX AND PROSPECT MAIL SERVICE.

Mr. MACLEAN (Halifax):

1. Who has the contract for the carriage

of the mails between Halifax and Prospect, Halifax county?
2. What is the amount paid therefor?

Mr. PELLETIER:

1. James H. Walsh.
2. $545 per annum.

SHERBROOKE AND SHEET HARBOUR MAIL SERVICE.

Mr. MACLEAN (Halifax):

1. Who has the contract for the carriage of the mails from Sherbrooke, Guysborough county, N.S., to Sheet Harbour, Halifax county, N.S.?
2. What is the amount paid therefor?

Mr. PELLETIER:

1. John S. Cameron.
2. $3,384.35 per annum.

EMPLOYMENT OF JOSEPH MORIN.

*Mr. GAUVREAU:

1. Is Joseph Morin, formerly a tailor at St. Roch des Aulnaies, in the employment of the Post Office Department?
2. If so, on what date was he appointed?
3. What are his duties?
4. What is his salary?
5 Does the Government know that the said Joseph Morin, as alleged, was one of the most active canvassers of Doctor Paquet, member for L'Islet at the last election?
6. Does the Government know that Captain David Bourgeault, keeper of the lightship at La Traverse, St. Roch, is said to have declared to have paid to the said Joseph Morin five hundred dollars to be appointed to the said position?
7. Does the Government intend to inquire into these facts?

Mr. PELLETIER:

1. A man named Joseph Morin, from St. Roch des Aulnaies, is employed as a railway mail clerk, Quebec district.
2. 24th June, 1912.
3. Answered by No. 1.
4. $500.
5. The Post Office Department has no information on the subject.
6. The Post Office Department has no information on the subject.
7. Answered by Nos. 5 and 6.

ST. ROCH DES AULNAIES PREVENTIVE OFFICER.

Mr. GAUVREAU:

1. Is Mr. Joseph Dupont, of St. Roch des Aulnaies, a preventive officer of the Department of Inland Revenue?
2 If so, what is his salary?
3. What is the date of his appointment?
4. Has he made a report?

Mr. NANTEL:

1. Yes.
2. $200.
3. August 15, 1912.
4. Up to the present time not to the department, but he may have communicated with the collector of the division, to whom he should make his reports.

MARITIME PROVINCES INLAND REVENUE INSPECTOR.

Mr. MACDONALD:

1. What is the residence and address of John Macdonald, who has been appointed inspector of inland revenue in the Maritime provinces?
2. Has he been employed previous to his appointment in the Inland Revenue, or any other department?, If so, in what capacity?

Mr. NANTEL:

1. John McDonald, jr., St. John, New Brunswick.
2. He has not been employed as far as the department is aware.

BRITISH COLUMBIA SALMON.

Mr. SINCLAIR:

1. Is there a fishery regulation in force prohibiting the export of freshly caught sockeye salmon from British Columbia to the United States?
2. Have any alterations been made by the present Administration in the regulation referred to in paragraph one? If so, what alterations have been made?

Mr. HAZEN:

1. Yes.
2. No. As the salmon canners gave the department a written assurance that they would take all sockeyes tendered them by the fishermen at a price satisfactory to the fishermen, a change in the regulation was not considered necessary.

BOULARDARIE CENTRE POST OFFICE.

Mr. McKENZIE:

1. What were the distances, respectively, between the post offices at Big Bank, Boulardarie Centre and Boulardarie, county of Victoria, before the office was moved from the residence of Alex. Matheson?
2. How far west from its former position was the Boulardarie Centre post office moved?
3. Is the Boulardarie Centre post office still within the limits of Boulardarie Centre, so-called?
4. Who is the new postmaster of Boulardarie Centre?
5. Were there any complaints lodged against the former postmaster, Alex. Matheson? If so, what were they?
6. For what reason was Mr. Matheson dismissed and the post office moved to its present location?
7. Was there any general request from the people of that locality for a change in the location of the Boulardarie Centre post office?

Mr. PELLETIER:

1, 2 and 3. The department has no specific information at present on these points.
4. Mr. Malcolm Campbell.

5. Yes. He was charged with political partisanship.

6. For political partisanship.

7. The postmaster having himself admitted partisanship, the dismissal took place without the necessity of any general request one way or the other, and none was made.

NEW CAMPBELLTON CUSTOMS OFFICER.

Mr. McKENZIE:

1. Who is the present customs house officer at New Campbellton, county of Victoria?

2. When was he appointed?

3. What is the distance between the present customs house office and the Government breakwater and harbour at New Campbellton?

4. For what reason was the old customs house officer, Captain George Livingstone, dismissed?

5. How far was the customs house from the harbour and breakwater of New Campbellton when the office was held by Captain Livingstone?

6. How much further away from the port is the customs house office now than it was when held by Captain Livingstone?

7. What was the reason for moving the customs house office so far from the shipping port?

Mr. REID:

1. William R. McKinnon.

2. He was authorized to act as sub-collector by letter dated November 11, 1912.

3. There is no information on this point in the Department of Customs.

4. The old customs officer, George Livingstone, was dismissed on account of political partisanship.

5 and 6. There is no information on these points in the Department of Customs.

7. The sub-collector of customs for New Campbellton does his office work in his house, temporarily, during the winter. The permanent location of the sub-collector's office is still under consideration by the department.

ANTIGONISH COUNTY ESTIMATES.

Mr. CHISHOLM (Antigonish):

1. Referring to the document or letter which appeared in the Casket newspaper, published at Antigonish, of date the 9th day of January, 1913, as follows:—

Office of the Minister of Public Works of Canada.

Ottawa, December 28, 1912.

Senator Girroir.

My Dear Sir,—Your letter of the 24th instant and addressed to the Minister of Public Works received, and, in accordance with your request, I am enclosing you herewith a list of the items which have been placed in the Supplementary Estimates for Antigonish county for 1913-14.

Yours sincerely,
(Sgd.) George Buskard,
Minister's Secretary.

To E L. Girroir,
Barrister,
Antigonish, N.S.

Main Estimates.

Arisaig—Complete extension to wharf..	$3,000
Bayfield—Repair to wharf breakwater.	2,500
Blue Rock—Repairs to breakwater	8,200
Breen's Pond—Construction of breakwater..	1,400
Harbour au Boucher—Repairs to wharf	1,000
Malignant Cove—Repairs to breakwater	800

Supplementary Estimates.

Cribbins Point—Wharf and dredging..	15,000
Delorey's Beach—Breakwater repairs and extensions..	14,700
Malignant Cove—Extension of piers and dredging	4,000
McArras Brook—Extension of piers landing	1,700
McNair's Cove—Extension to wharf....	5,500
Ogdens Pond—Sand grain and extension of pier	2,800
South Lakevale—Extension of channel pier..	3,000
Auld's Cove—Protected channel..	15,000
Tracadie Harbour—Improvements.. ..	27,000
Harbour au Boucher—Warehouse	1,200
Breen's Pond—Extension to breakwater..	14,500
Georgeville—New wharf..	90,000

There will also be placed in the general vote for dredging amounts for Lakevale and Bayfield, and an amount for repair for old wharf at Georgeville, will be placed in estimates when exact amount of damages is ascertained.

2. Did the secretary of the Minister of Public Works send, or authorize to be sent, to Senator Girroir, of Antigonish, N.S., the said letter and enclosure?

3. If not did the minister's secretary send, or authorize to be sent, any letter to Senator Girroir in the month of December last, respecting the estimates, or proposed expenditures for Antigonish county?

4. If so, what were such letters and inclosures?

Mr. ROGERS: The following letter and memorandum were sent by the Secretary of the Minister of Public Works:—

Office of the Minister of Public Works of Canada,

December 28, 1912.

My dear Sir,—

Your letter of the 24th instant addressed to the Minister of Public Works received, and, in accordance with your request, I am inclosing you herewith a list of the items which have been placed in the Supplementary Estimates for Antigonish county for 1913-14.

Yours sincerely,
(Sgd.) George Buskard,
Minister's secretary.

To E. L. Girroir, Esq.,
Barrister,
Antigonish, N.S.

List of Amounts for Antigonish county, N.S., noted for Estimates 1913-14.

Main Estimates.

Arisaig—To complete extension to wharf	$3,000
Bayfield Harbour—Repairs to wharf and breakwater..	2,500
Blue Rocks—Repairs to breakwater.. ..	1,200
Breen's Pond—Construction of breakwater..	1,400
Harbour au Boucher—Repairs to wharf.	1,000

Malignant Cove—Repairs to breakwater	800
Supplementary Estimates.	
Cribbin's Point—Wharf and dredging	15,600
Delorey's Beach—Breakwater repairs and extension	14,700
Malignant Cove—Extension of piers and dredging	4,000
McArras Brook—Extension of boat landing	1,700
McNair's Cove—Extension of wharf	5,500
Ogden's Pond—Sand groin and extension of pier	2,800
South Lake, Lakevale—Extension of channel pier	3,000
Auld's Cove—Protected channel	15,000
Tracadie—Harbour improvements	27,000
Harbour au Boucher—Warehouse	1,200
Breen's Pond—Extension of breakwater	14,500
Georgeville—New wharf	90,000

FRUIT INSPECTORS.

Mr. KYTE:

1. How many fruit inspectors are there in Canada?
2. How many of them have been dismissed since October 10, 1911?

Mr. CODERRE:

1. There were forty-eight inspectors employed for the season of 1912-13.
2. Four inspectors have been dismissed since October 10, 1911, and ten temporary fruit inspectors employed during the season of 1911-12 were not re-engaged during the season of 1912-13.

LANORAIE WHARF.

Mr. BELAND:

1. Has the Department of Public Works granted a contract for repairs to the wharf at Lanoraie, county of Berthier?
2. If so, to whom was this contract granted?
3. On what date was the sum appropriated for these works originally voted?

Mr. ROGERS:

1. Yes.
2. Arthur Daignault, of Longueuil, P.Q.
3. In the fiscal year 1911-12.

SHELL FISH COMMISSION.

Mr. SINCLAIR:

1. Has the commission appointed last year to investigate the shell-fish industry reported?
2. Are any changes to be made in the lobster regulations that will apply to the present year?
3. If so, what are the proposed changes?

Mr. HAZEN: 1, 2, and 3. The commission has not yet reported.

ST. IRENEE LIGHTHOUSE KEEPER.

Mr. LEMIEUX:

What amount does Mr. Dorila Tremblay, ex-lighthouse keeper at St. Irénée, county of Charlevoix, receive as pension?

Mr. ROGERS.

Mr. HAZEN: $196 per annum. This man was keeper of the light at Portneuf (en bas) and not St. Irénée.

ARTIFICIAL ICE.

Mr. HUGHES (Kings):

1. Is the Government aware that a company has been formed to manufacture and sell in Ottawa artificial ice made from water which has been distilled twice, and therefore guaranteed absolutely pure?
2. Has any move been made by the Government towards ascertaining the price, with a view of entering into a contract with the company to supply this pure ice to the two Houses and the different departments of the Government?

Mr. ROGERS: The practice is to call for tenders for ice supply, and this company will have an opportunity of tendering.

PRINCE RUPERT PUBLIC BUILDING.

Mr. TURRIFF:

1. Have the plans for the public building at Prince Rupert been approved? If not, why have they not been approved?
2. If they have been approved, have the tenders for the construction of the building been called for? If so, when will they be let?

Mr. ROGERS: A site has not been purchased, and plans have not been prepared.

REVELSTOKE PUBLIC BUILDINGS.

Mr. TURRIFF:

1. Have the plans been approved for the public buildings at Revelstoke? If not, why have they not been approved?
2. If they have been approved, have tenders been called for the work? If not, why not?
3. If tenders have been called for, when will they be let?

Mr. ROGERS:

1. No.

2 and 3. The residents were not satisfied with the size of the building, and ask for a larger and more expensive building.

DISMISSALS.

Mr. MACLEAN (Halifax):

1. Has Captain V. Lyons, lately in charge of the Government dredge Northumberland, been dismissed?
2. If so, on what grounds was his dismissal made, and who is his successor?

Mr. HAZEN:

1. Yes.
2. (a) Incompetency; (b) William McKenzie.

*Mr. GAUVREAU:

1. Has Mr. Louis Pineault, keeper of the lighthouse Le Bequet, Rimouski, been removed from his duties? If so, for what reasons?
2. Was there an accusation made against him? If so, by whom?

3. Has an inquiry been granted?
4. Who has replaced Mr. Pineault?

Mr. HAZEN: 1. Yes, for political partisanship.

2. Yes; by Mr. Boulay, M.P., and Mr. F. E. Heppell.

3. No.

4. H. N. Lavoie. Mr. Lavoie was drowned in November last. His widow is in temporary charge.

GEORGIAN BAY CANAL.

Mr. DEVLIN moved:

That, in the opinion of the House, it is essential to the commercial independence of Canada, that we shall have within our own boundaries and subject to no control but our own, the means of transporting the products of every part of our country to every other part; and also that we shall maintain all Canadian routes by which the products of all the provinces may reach the world's markets, and for this and other commercial reasons, it is necessary that the Georgian bay canal be immediately constructed.

He said: In support of the resolution which I have the honour to propose, I intend to be very brief in the observations I shall offer to the House, because the hour is late, the matter is not new, and there are several hon. gentlemen on both sides of the House who intend to speak upon it. The question of the construction of what is commonly known as the Georgian bay canal is not at all new in this House or in the country. Even before Confederation it was mooted, and I believe that a contract for the construction of the canal was granted as far back as 1852. The construction of the canal was advocated in the legislature of the country before this House existed, and the Hon. Mr. Skead and several others spoke upon it. It was advocated at a time when our population was barely two million people, and when our total trade was $131,027,532. I feel, therefore, that we may with greater reason and with greater force advocate its construction to-day when our total trade is $942,303,904, and when we have a population of about 8,000,000. To-day we are in a position to begin the construction of the Georgian bay canal. When I mention that we collect $60,000,000 more in duties than we did ten years ago, hon. members will understand that the finances of this country tend more to the carrying out of an enterprise which might even be termed gigantic, than they did in former years. Let me further call the attention of the House to the fact that in 1903 the exports of Canadian produce amounted to $215,145,308. Ten years afterwards, a very short space in the natural lifetime of a man, and shorter space in the lifetime of a country, our exports have reached the enormous sum of over $318,000,000. We are to-day engaged in developing our country, in building railways, and in improving our canal systems. I am certain that the House will agree with me in saying that if we can find a way to improve our transportation system, and to lessen the rates upon the freight which is carried from east to west or from north to south, we shall solve the great problem which at present confronts the Dominion.

In moving this resolution, let me say at once my object is to have our produce pass through Canadian channels on its way to the markets of the world, to facilitate the transportation of the ever-increasing production of western Canada, to lessen the rates upon grain transportation, and to develop a great section of our country which is rich in farm lands, in lumber and in minerals. I am not an opponent of the enlargement of the Welland canal. I believe that our country is great enough to stand as many canals as we possibly could build. I am sorry that the hon. Minister of Trade and Commerce is not in his seat. Upon his departure for Australia to conclude a trade arrangement I would like to have taken this, possibly the last occasion I may have before his departure, to wish him God-speed upon his journey and to wish him every success in the arrangement which he wishes to conclude with Australia. I do not think that there is a man in the Dominion Cabinet to-day who is better fitted for the mission than the hon. Minister of Trade and Commerce. It would be well for him, if he carries out what appears by the press to be his intention, to stop on his return trip in China and Japan and there examine the canals. It is wonderful to think that in the three countries of China, Korea and Japan, countries that should not be as advanced in their development as Canada, there are 200,000 miles of canals. Will hon. gentlemen in this House tell me that it is impossible for this country, which is becoming the greatest and richest dominion of the Empire, to improve—not build, but to improve—a natural waterway by a few miles of dredging and by twenty-eight miles of canal? The engineering reports respecting the canals of the three countries which I have just mentioned, point out that forty canals across the United States from east to west and sixty from north to south, would not equal in the number of miles those in China, Korea and Japan. I am proud of my country, I may see greater possibilities in my own country than perhaps some men do, but there is not a member of this House who gives any study to the question of transportation who cannot see that it is absolutely necessary that, if you are going to be able to transport your grain from west to east, if you are going to be able to build up your national ports, if you are going to

be able to find markets where you want them and not by going to the country to the south, you must build an enlarged waterway system in this country. The right hon. Prime Minister, for whose judgment I have the greatest possible respect, has said that our object is to keep Canadian trade in Canadian channels and to continue as much as we can the policy of making that trade run east and west. These are his words, these are the words which have been uttered upon this side of the House and by other hon. members upon the opposite side of the House. Do you mean what you say? Is that your object? Do you mean to direct your trade east and west, do you mean to keep it within your own territory? If that is your intention what must you do? Enlarge the Welland canal? Do it if you will, but you will not direct your trade within Canadian channels. Improve your waterway system from the Georgian bay along the French river down the Ottawa and along the St. Lawrence and then you will keep your trade east and west within Canadian territory and Canadian channels. You are either serious in what you say or you are not serious. Construct as you will your railways—you have now the Canadian Northern, the Canadian Pacific railway, the Grand Trunk Pacific—build ten more transcontinental railways and, with the ever-increasing production of grain in the Northwest, my hon. friend the Minister of Public Works will agree with me, you cannot find a system of transport which will meet the necessities of the West. If I were simply speaking of the transportation of the crop from the Northwest to the Canadian ports in order to find the best way to the markets of the world, I would stop here and say: Improve your waterways system from the great lakes to your national ports along the French river and the Georgian bay. But, Sir, to my friends from Nova Scotia, I will say this: If you want markets for your Nova Scotia coal, where will you get them? Is it not a fact that you cannot tranship your Nova Scotia coal practically past the city of Montreal? You want to find a market further west. You cannot do it and why?—because freight rates are too high. I appeal to hon. members to take this question into their very serious consideration. This project has been before this House since Confederation. It has almost become an annual theme, but do hon. gentlemen take it up seriously? I put it to the members of this House individually: Have you as legislators given that serious and earnest consideration to this project that you should have? You have spent the money of the country in surveys, you have said: Find out if it is feasible, tell us the cost, and then we will see if we are able to build it. You have formed commissions. You had your commission upon transportation as far back as 1905. Let me refer to the Royal Commission upon Transportation for one moment. It was a most important commission, it studied the question of transportation thoroughly and to what conclusion upon the waterways did it come? It said this:

> We would recommend that, in case the Ottawa river scheme, because of want of feasibility from a commercial or engineering point of view, or on account of its cost or for other reasons, be not adopted, then that the Welland canal shall be enlarged.

And the Welland canal shall be enlarged only if you find that the Ottawa and Georgian Bay canal is not feasible, commercially or on account of its cost. Have you found that out? You appointed in 1908 a body of engineers to study the question and a very voluminous report was brought into this House. What did the engineers state in their conclusion? Let me, as briefly as possible, pick out one or two of their conclusions.

> That a twenty-two foot waterway for the largest lake boats,——

Not barges.

> —(six hundred feet by sixty feet and twenty feet draught) can be established for $100,000,000 in ten years, and that the annual maintenance will be approximately $900,000, including the operation of storage reservoirs for the better distribution of the flood waters of the Ottawa river.

$100,000,000 is a great deal of money, not so much for this country, but it is a great deal of money. But what revenue are you going to derive from it? It is pointed out to you in clear terms. Let alone the increased trade in the country, the increased traffic, what do you find in section 9 of the report of the Chief Engineeer to the Government.

> That with a storage system and plant and the tributary basins thereto required for the navigation project, a reliable water-power supply is secured at various dams amounting to 1,000,000 horse-power, which can be developed for about $50 per horse-power.

What else? Would that not be a sufficient guarantee of revenue to induce this House to come to the conclusion that the project ought to be undertaken? Do you want more? Is your grain trade increasing? Are you to-day getting more grain from the Northwest than your railways can possibly handle? And on this point let me say that what you need in this country, at your terminal ports, is elevators. This country should not stop at any expense for the building of elevators. It is all very well for members to say that the farmers of the West should build sheds to keep their grain in. That is very well, but you are inviting immigration into this country, you

are asking people to come from Europe and take up your lands, you are advertising those lands and telling the people of Europe that they can go upon those lands with little capital and grow grain. Do you tell them to bring capital to build warehouse on their farms? No, you do not. Are you taking the necessary means to protect their trade when it reaches the terminals? You are not. This country, Sir, should not stop at any expenditure on terminal elevators, and as long as I have a seat in this House I will give my support to any expenditure in that direction. You are undertaking to make great national ports. You want to build up Montreal into a national port. I believe that Montreal is really the national port of Canada. I think that you can safely spend as much money as you will upon the port of Montreal, and you will not only develop your country thereby but you will develop the trade of your country. I am not sectional, I have no particular interest in the city of Montreal, but I do say that with the ever-increasing population of Montreal, when it is prophesied and rightly prophesied that in a very few years you will have in Montreal a population of over one million people, it is the duty of Canada to see to the enlargement of its port. It is the duty of this Government, as it is the duty of every Government in this country that may hold the reins of power, to see to the enlargement of the St. Lawrence channel. Build your elevators at your ports, build your elevators in Montreal. Are they necessary? I mean to show in the few remarks I will make to-night, the absolute necessity of these elevators. I mean to show, if I am able to show, that the grain production of the West is so great, that your transhipment of grain is so great, that your transhipment of coal is so great, that the Americans, the very men you are afraid of, are running away with your trade and no man in this House will gainsay that. You are enlarging your Welland canal, enlarging it for the benefit of the American people If you do want your trade to go through American ports, if you want the American carrying trade to go into your West to the detriment of your Canadian trade, neglect your national waterway from the Georgian bay to the St. Lawrence, and go on enlarging your Welland canal.

I said I would give a few figures respecting the transhipment of grain, the shipments of Canadian grain from Fort William and Port Arthur to Canadian ports in 1908 were 31,978,334 bushels. In 1911 they were 36,378,535 bushels. But whilst we were transporting that grain through Canadian ports, we were transporting other grain as well, because we have to-day, the facilities, through our waterways, to transport our grain to American ports. And what were we doing? In 1906, of our wheat, over 12,398,000 bushels or 28 per cent found its way to American ports. In 1911, our production was going up, 33,806,534 bushels or 48 per cent of it found its way to American ports. Of our total grain transhipments in 1906, 34,000,000 bushels odd found its way to Canadian ports. Of our total grain, 60,000,000 bushels or 32 per cent found its way to American ports. In 1911, 58,000,000 found its way to Canadian ports and 36,000,000 bushels found its way to United States ports, or 37½ per cent. And what are you doing to stop that? What are you doing to tranship your grain? Your railways cannot and will not be able to tranship it. Are you doing anything in regard to your waterways system, having surveys made, spending a few dollars here and there? To what benefit? To what purpose? I do not say this in a partisan spirit; I do not blame this Government any more than I blame the former Government. This is a national question; this is not a question that must be approached in any partisan spirit; it is too large for that. I know that upon both sides of the House the project of building the Georgian bay canal has enthusiastic support. I should like to see the number of those supporters increased, call them Conservatives or call them Grits, it is a matter of total indifference to me. Like your navy or your national defence, it is too big for party politics; and the men of this country ought to be big enough to study national problems without considering whether or not they will gain twenty-five or thirty more votes in their respective constituencies. I appeal to both sides of the House in that spirit, and I ask you to consider this question in that spirit. If the present Government brings in a scheme by which the waterways system from the Georgian bay to the ocean ports will be improved, will be enlarged, will be deepened, I ask hon. members on this side of the House to give the Government their hearty support and co-operation. I am not alone in the opinion that I expressed to-day. I have said that the right hon. the Prime Minister favours our trade from east to west. This is the only possible way of securing our trade from east to west. By the Welland canal you must offer to the Americans exactly the same advantages that you offer to the Canadians. Do not forget that. Whilst in the Panama canal the Americans may have an advantage over you, by treaty you are obliged to offer to the Americans the same advantages as you offer to your own people, because you are dealing with international waters. In the building of the Georgian bay canal, get the revenue and give to the farmers of this country a free canal. This proposition has been mooted for a great number of years. A committee was appointed by the Senate

of Canada in 1898 and several opinions were given. For the benefit of the new members of this House, I should like to refer to some of the opinions there given. Mr. T. C. Clarke, an eminent civil engineer of New York, when called upon to give evidence, said; referring to the Georgian bay canal scheme:

The improvement of the navigation of a chain of rivers of such a nature is a comparatively easy task. The greater part of the task is already accomplished.

Mr. Marcus Smith, also a very able engineer said that he saw no physical difficulty in the building of the canal. William Van Horne, who is an authority to hon. gentlemen on both sides of the House, also gave evidence, and he refuted the theory that the building of this canal would militate against the railways of this country. It is commonly observed, that the moment you undertake to enlarge your canals, you are going to hurt your railways. Here is what he says:

The building of the canal would result in the establishment of important industries along the whole route. Everything tending to diminish the cost of transportation, must incontectably have a good effect. The canal would help the Canadian Pacific railway inasmuch as it would create more traffic for the road than it would take away.

As we are at a period of our history, when we are entering upon military manoeuvres and upon the defence of our country, it might not be inopportune to quote Major General Gascoigne, who was then Commander of the Canadian Militia. His words were:

That the Georgian bay canal would be of the greatest possible benefit for military purposes and hoped for by England.

To some of the members of this House, it may be a very strong argument to advance that you will be free from your neighbours to the south of you, because if your ships are in any danger from American ships, all you have to do is to run your ships up into the Georgian Bay canal and they will be perfectly safe. That is what Major General Gascoigne said. If my hon. friend the Minister of Militia were in the House today, that argument alone would be sufficient to convince him that we should immediately began the construction of the canal.

Before I resume my seat, I should like to say that there is another matter that must appeal to our friends from Nova Scotia, who are interested in the coal question. They may be surprised to know that 2,708,000 tons of coal come from American ports through the lakes and find their way westwards. Why should not your Nova Scotia coal go west? We want to develop a Canadian trade; we do not want to trade with our American neighbours. Why should we not do everything we possibly can to help Nova Scotia in the transhipment of her coal westward, instead of working towards the betterment of transportation for Americans in order to allow them to bring in their coal westward from their American ports and send it west to the detriment of Nova Scotia. I may be asked right away, why could not Nova Scotia coal come west now? It could not come because the freight rates are too high. With water transportation your freight rates will be lowered, and you can bring your Nova Scotia coal westward. It might be unfair to my hon. friend from North Renfrew, if I were to dilate at any greater length upon the question of freight rates. If I give him a chance, I know that he will this evening deal with that phase of the question, and I will resume my seat hoping that this resolution will be adopted by the House, that the Government will give it its serious consideration, and that a way will be found, without increasing revenue, to begin the construction of this canal system at once.

Mr. GERALD V. WHITE (North Renfrew): In view of the excellent address delivered by the hon. member for Wright and of the very cogent arguments advanced in connection with the resolution he has placed on the Order Paper, I feel somewhat diffident, especially at this hour of the night, in rising to address the House on so important a question. However, there are one or two aspects of this project which I would like to dwell upon for a short time. My hon. friend has referred to the fact that the Prime Minister of this country has declared himself in favour of improving our trade routes, east and west, and I think the Prime Minister—although my hon. friend doubted it somewhat—was quite sincere in the expression of his views in that connection. When the question of reciprocity was before the country, one of the strongest arguments used on this side of the House was to the effect that reciprocity, if passed, would have a detrimental effect in that it would divert our trade north and south instead of allowing it to flow east and west. When that issue was before the country, our friends to the south were keenly alive to the benefits they would obtain by the passing of the reciprocity pact, and evidenced no hesitancy in declaring their views on this point. For instance, the Northwestern Miller made the following statement:

The prospect is a grand one. With the enormous and steadily-increasing crops of Canadian wheat flowing into the mills and elevators of the United States, a splendid tide of activity and prosperity would follow in its

wake. New mills would be built and capacities enlarged. New railways would be extended into the wheat-growing territory; American railways carrying the flour from the mills would secure additional freight; American banks would obtain increased deposits; American mill operatives would be in demand and pay-rolls increased. There would be an increase in grain firms, in elevators and in every branch of the grain-handling and flour-making interests. This would be felt in the added value of real estate, and in the solid and substantial development of every undertaking and enterprise that makes a community prosperous.

Governor Foss of Massachusetts, speaking on behalf of the eastern states, made this statement:

Our great water terminal, Boston harbour, will be improved with new docks and piers adequate to this increased business. Our present railroads will increase their facilities and extend their lines to handle it.

These extracts indicate the anticipations of the people of the United States with regard to the passage of the reciprocity pact; the United States was to be the gainer and Canada the loser, in so far as our transportation interests were concerned. In view of the fact, however, that that isue is dead, it seems to me that the Government of this country should endeavour to promote and stimulate eastern and western trade, and this can only be done by improving the methods of carrying our products to the markets of the world. As my hon. friend has stated, I believe that the governments of this country have been somewhat derelict in their duty concerning the improvement of our water transportation routes, and that it is a most important question for the government of the country to take up and deal with in a manner suited to present needs. It appears to me that the paramount importance of the waterways problem, the failure of our present canal system to meet existing conditions, the weakness of the present position of our carrying trade on the great lakes and the immediate necessity for a through deep waterway between the great lakes and the Atlantic seaboard, capable of accommodating the largest lake vessels without breaking bulk en route, are strongly emphasized by the recent action of the Government in suspending the navigation laws, and allowing American vessels to dock at Fort William and Port Arthur for the storage of grain during the winter season. This has been done by the Government to relieve the congestion of grain in the Canadian Northwest, and it is reported that there are at the present time a large number of American vessels loading grain at these points. The amount of grain being loaded into these vessels for storage is, I understand, in the neighbourhood of 12,000,000 bushels, and the wheat may thus be conveyed to the markets as soon as navigation opens. This will show, to some extent, the inadequacy of the Canadian grain fleet to handle even the grain of our own Canadian West. According to the grain statistics of the Department of Trade and Commerce, I find that in 1911 the grain fleet on the lakes numbered some ninety vessels, with a combined capacity of 8,952,000 bushels. Thus it will be seen that the grain which is now being loaded at Fort William and Port Arthur into American vessels is almost one and one-half times the capacity of our entire Canadian fleet.

My hon. friend also pointed out that in view of the superior equipment of our American neighbours to handle this grain crop a large amount of our grain was shipped in American bottoms to American ports. This has been increasing very rapidly. The figures which I have here show that in 1908 180,683 tons or some 6,000,000 odd bushels of Canadian wheat passed through the Canadian Soo locks to American ports. In 1909 the amount was 400,300 tons. In 1910 it was 461,050 tons and in 1911 the large amount of 838,368 tons, equivalent to practically 28,000,000 bushels.

The great bulk of this wheat was carried in American vessels and was therefore lost to the Canadian carrying trade from Fort William and Port Arthur eastward.

It is to be expected that with the natural increase of the grain production in the Northwest these conditions will constantly become more unfavourable to Canada, and it is therefore a national duty for us to discover and adopt a remedy and preserve the Canadian carrying trade to Canadian ports, to Canadian vessels and Canadian transportation routes to the seaboard. From the figures contained not only in the Government reports, but in the newspapers I find that there has been a very false impression created by these figures. For instance, in the Government statistics for 1910 issued by the Department of Railways and Canals the following statements are made:

There was a further substantial increase in the volume of traffic through the canals of the Dominion. In order that comparison may be made with preceding years and at the same time a demonstration afforded of the rapid expansion of Canadian water-borne business the figures relating to the tonnage for the past decade are given.

The figures quoted show an increase from some 5,665,259 tons in 1901 to 42,990,608 tons in 1910 and the report further states:

The growth during the first 5-year period was equal to 65 per cent and during the second period 308 per cent.

I propose to show that those figures are entirely misleading, first because they fail to distinguish between Canadian business and United States coasting trade—using

Canadian canals free of toll and without benefit to Canada, and in the second place because under the erroneous methods employed in obtaining these aggregate figures, every cargo carried between the head of the lake and Montreal is multiplied by three; that is to say every cargo is recorded, not only at the Soo locks but also at the Welland canal and at the St. Lawrence canals. About four-fifths of the traffic through Canada's boundary canal system is United States coast-wise trade which uses Canadian canals free of cost and without benefit to us. In 1910 the division of traffic as shown by Canal Statistics was as follows: United States coast-wise trade, 32,853,985 tons, or 79 per cent of the total. Canadian coast-wise trade, 5,036,297 tons, or 12 per cent of the total. Then with regard to international trade, United States to Canada, 2,528,554 tons or 6 per cent of the total; Canada to the United States, 1,063,893 tons, or 3 per cent of the total. This would make Canada's share of the traffic as follows: coastwise trade 5,036,297 tons or 12 per cent, and international trade, Canada to the United States, 1,063,893 tons or 3 per cent, making a total of 6,100,190 tons or 15 per cent, or less than one-seventh of the whole. But I find that the facts are even less favourable to Canada than these figures would indicate. For instance, there are included in the figures for Canada-United States traffic, 461,054 tons of wheat which passed through the Canadian Soo locks to Buffalo and other American ports. This was nearly all carried in American vessels and represents therefore an actual loss to the Canadian carrying trade from Fort William eastward.

Again large reductions must be made owing to the duplication of figures. For instance a vessel with 1,500 tons of wheat shipped from Fort William or Port Arthur to Montreal appears in the traffic returns for the Soo canal, the Welland canal and the St. Lawrence canals respectively and her cargo appears in the aggregate as a movement of 4,500 tons instead of 1,500 tons. Similarly a boat proceeding from Montreal to Lake Erie ports with a consignment of pulpwood, say a thousand tons, appears in the returns for not only the St. Lawrence canals, but also the Welland and her cargo appears in the aggregate at 2,000 tons of pulpwood instead of 1,000 tons. In the Canadian Year Book for 1911, I find that there also mistakes have been made. The Canadian Year Book for 1911 on page 373 shows that 3,528,185 tons of wheat were carried through Canadian canals in 1911. On page 413 it appears that the total shipments of wheat by all vessels from Fort William and Port Arthur in 1911 were 70,185,069 bushels equal to 2,105,552 tons. Less than 80,000 tons of United States wheat are reported as passing through the Sault, Welland, and St. Lawrence canals, and less than 5,000 tons were carried on all other canals. United States wheat in transit between United States ports amounted to 516,283 tons. Therefore the figures on page 373 show an overstatement of about—800,000 tons, or approximately 27,000,000 bushels. Now this is a striking indication of the misleading nature of these figures. In the Canal Statistics for 1910, on page 38, appears a statement showing the quantity of freight passing eastward from Lake Erie through the whole of the St. Lawrence and Welland canals to Montreal. The total is 1,170,139 tons. On page 40 a similar table shows the westward movement amounting to 162,360 tons, making a total eastward and westward movement of 1,332,499 tons. And this amount was credited to both the Welland and St. Lawrence canals, and was therefore included twice in the aggregate figures of traffic for the canals of that year. Besides this, it must be taken into account that the eastbound Welland traffic in 1910 included grain shipped from Canadian to Canadian ports to the amount of 672,790 tons. Practically all of this came from Lake Superior, and was included in this statement of traffic of the Canadian Sault lock. These items alone show a duplication of figures amounting to somewhere near 2,000,000 tons. Deducting this from the 6,100,190 tons representing the combined Canadian coast-wise and Canada to United States traffic and deducting further the 461,054 tons of wheat shipped to Buffalo, we have left only between 3,500,000 and 4,000,000 tons as the total movement of Canadian freight in Canadian vessels on the boundary canals in 1910, or only about one-twelfth of the 42,990,608 tons quoted in the Canal Statistics to show the rapid expansion of Canadian water-borne traffic.

Now, taking the traffic on the Great Lakes, I find that the annual traffic passing the Sault amounted to almost 75,000,000 tons, and almost 100,000,000 tons passed Detroit. But about nineteen-twentieths of this traffic is purely local traffic between the various states of the American Union bordering on the great lakes and is therefore a traffic from which Canadian vessels are absolutely barred. It seems to me that there should be some way of keeping within our own channels the large amount of our traffic which is being taken advantage of by our American neighbours. The construction of a through water-way from the lakes to the seaboard, seems to be the only feasible proposition, a water-way which will be entirely within Canadian territory. I have pointed out that the present Canadian fleet is entirely inadequate to handle the Canadian grain crop. In 1910 we had in the Sault trade only 12 vessels of over 2,000 tons registra-

tion with a combined tonnage of 35,142 tons against an American fleet of the same or similar registration of 375 vessels with a combined tonnage of 1,466,879 tons, or some forty times that of the Canadian fleet of similar registration. The United States not only have enormous advantages in the number of vessels, but their vessels have a monopoly of the United States coasting trade, which forms, as I stated before, about nineteen-twentieths of the total traffic. United States earnings in freight from which Canadian vessels are barred, amount annually to some $25,000,000. In 1910 their earnings in the iron ore trade alone amounted to $25,500,000. Having the monopoly of this enormous traffic in which their profits are made, United States vessels could afford to carry one or two cargoes of wheat at such rates as would merely pay running expenses.

With regard to the international trade, about two-thirds of the United States coal carried to Fort William and Port Arthur, is carried in American bottoms, and more than three-fourths of the wheat from these ports to Buffalo is carried in United States bottoms. It has been contended that the only remedy for this state of affairs is the enlargement of the Welland canal, that that would temporarily overcome the difficulty. The only result, however, which would follow from this would be to allow the American vessels which are too large to be accommodated by the present Welland canal to go to lake Ontario instead of enabling them to enjoy only the increased trade of the upper lakes. There are several reasons why I believe this state of affairs may be anticipated. For example, when the Welland canal was enlarged from nine feet to fourteen feet a similar state of affairs existed. Following the report of the Canal Commission in 1871, the enlargement of the Welland canal was commenced at once and the new Welland canal was opened for traffic in 1882 with twelve feet of water on the sills; it was later increased to fourteen feet on the sills. However, the enlargement of the St. Lawrence system from lake Ontario to Montreal was not immediately proceeded with. We had for some eighteen years the enlarged Welland canal with a smaller St. Lawrence system and it was not until I think 1900 that a through fourteen-foot channel was constructed from the great lakes to Montreal. The theory then held was that as soon as the large lake vessels could descend to lake Ontario there would be a heavy traffic to Kingston and Prescott for transfer to barges to be carried down the St. Lawrence canals to Montreal. It was also thought that Canadian vessels of the new Welland canal size would be built for this trade, giving us an advantage over the American routes. Official traffic reports prove that these theories were entirely erroneous and that the results were entirely unsatisfactory from a Canadian standpoint. As a matter of fact, there have been some fifty-one vessels of Welland-canal size built in Great Britain for the Canadian grain trade and of these forty-three were built between 1900 and 1911. There were eight British vessels of Welland-canal size in the trade which were built prior to 1900 but which were not brought to Canada until after that year, and consequently did not engage in the grain trade until after the whole St. Lawrence system had been enlarged. In 1893 the late Thomas Munro, engineer in charge of the enlargement work on the St. Lawrence canals, reported that the only result of the Welland enlargement had been the establishment of a line of American lake propellers between Chicago and Ogdensburg, and in 1899, just before the completion of the fourteen-foot St. Lawrence canals, he stated in a report as follows:

> As a matter of fact there are scarcely any vessels drawing 14 feet now engaged in the the St. Lawrence trade except a line of American propellors, plying between Chicago and Ogdensburg. When the St. Lawrence river and canals are fully ready, it is presumed that craft of the required capacity will be forthcoming, but the grain fleets for the St. Lawrence route have yet to be built.

This corroborates the facts I cited a few moments ago with regard to vessels which were built and put on that trade after 1900. In Mr. Munro's report of the first season's operation of the completed system in 1900 he said:

> Only one vessel of full canal size passed through the canals during the season, namely, the Strathcona on her way from Scotland to the lakes to engage in the grain trade.

In 1899 a prominent Canadian resident in the city of New York stated to the New York Herald:

> The fact is beginning to be realized that the policy of Canada as to canals is a monumental blunder. This is illustrated by the startling statement that while Canada has spent sixty million dollars on her canals, she has not sixty craft to navigate them.

Not only was this true at that time, but in 1912 it was stated in the brief of Daniel Mullin, K.C., who has been retained by the Dominion in connection with the protest of the Canadian Government against the diversion of waters from the Great Lakes by the Chicago Drainage Canal:

> In the grain-carrying trade of Canada, there are seventy vessels, sixty-one of which are what is called Welland-canal size and nine larger.

The grain statistics for 1910 show that there were 83 Canadian vessels carrying grain from the head of the lakes that year;

their total capacity was 8,113,000 bushels and these were not all engaged exclusively as grain carriers because they also did a passenger and general traffic business. I think it is an important fact to be noted, that during the eighteen years of operation of the new Welland canal prior to the completion of the fourteen foot through channel to Montreal, no vessel of the Welland canal size was built for this route, and that the new Welland canal merely served to accommodate the large American propellors already on the lakes. The reports show that during the entire eighteen years up to 1900, the Welland traffic never once reached the level which it had attained prior to the commencement of the enlargement. In 1873 the traffic on the Welland canal amounted to 1,506,484 tons. During the enlargement it fell off to 686,506 tons in 1881, or less than one-half of what it had been before the enlargement was commenced. When the enlarged Welland canal was opened for traffic the United States coasting trade through it increased from 179,605 tons in 1880, to 653,213 tons in 1896, or nearly four times what it had been. But on the other hand the Canadian traffic continued very light, and in 1901 and 1902 the second and third years of operation of the fourteen foot through channel, the total traffic was only 629,209 tons, and 665,387 tons respectively; the combined traffic for the two years being over 200,000 less than that for the single year of 1873. The traffic increased, of course, but it was not until 1907 that it attained its proportions of 1873. The total traffic for the several years is as follows:

	Tons.
1907	1,614,132
1908	1,703,453
1909	2,025,921
1910	2,326,290
1911	2,537,629

This shows conclusively that no benefit was derived by Canada from that work until after the completion of the through fourteen foot channel to Montreal. The figures which I have just quoted confirm the view that the only effect of the Welland canal enlargement would be to permit the present enormous fleet of American boats on the great lakes to come down to lake Ontario in competition with our own Canadian fleet and naturally to our disadvantage. This view is expressed by the Dominion Marine Association, as outlined in the following paragraph, which appeared in their annual report in January, 1910:

In view of the existing division of opinion and the belief on the part of some members of the association that the building of the new Welland canal would bring heavy United States tonnage into competition with the Canadian tonnage for which the present canal is adapted, this association has not been officially represented at the hearing of any of the delegations which have met the Government this year to urge the commencement of the undertaking, and your counsel, when he has apeared has done so on behalf of the Kingston Board of Trade.

Then, there is the question of return cargoes. Apart from these results from the former enlargement of the Welland canal, my conclusions are based on the comparative conditions with regard to obtaining return cargoes on lake Ontario, and other facts. Large sized Canadian vessels bringing grain down to Kingston and Prescott will have no source of return cargo beyond those which are now enjoyed by the present fleet. Taking the question of water-borne traffic of Canadian ports on lake Ontario. I may point out that this traffic is very small and there are no resources on the lakes in Canadian territory to create any new traffic. Then, as to the water-borne traffic of the great lakes, this is a highly specialized trade, and practically ninety-seven per cent of it consists of iron ore, coal, lumber, grain, and pulpwood. Taking into consideration the question as to some of the lake ports on the Canadian side, let me refer to the report of the Toronto Harbour Commissioners for 1910, which gives the receipts for the port of Toronto through the Welland canal as follows:

Soft coal, 34,330 tons; grain, 1,230 bushels; oil, 103,535 barrels.

In that year Toronto's total coal receipts by all routes amounted to 1,230,127 tons of which less than 35,000 tons or less than three per cent came through the Welland canal. Yet, Sir, the strongest opposition to the Georgian Bay canal comes from that section of the country. The total grain traffic in 1910 through the Welland canal was 1,023,500 tons of which Toronto received the large amount of 37 tons. These figures indicate what little direct interest Toronto has in either the coal trade or the grain trade of the Welland canal, the grain trade, forming sixty-five per cent of the eastbound trade of the canal and forty-four per cent of its total traffic. The shipments by water from the port of Toronto are not published in the Harbour Commissioners' report but the traffic department of the Canadian Manufacturers Association says that they are insignificant in quantity. This is borne out by the fact that in 1910 the entire revenue of the port of Toronto from harbour dues was only $7,320. Notwithstanding this, Montreal's portion of business through the same canals during 1910, amounted to some two and three-quarter million tons. With an enlarged Welland canal of say twenty-four or twenty-five feet is there any sound reason for believing that Toronto would benefit very materially, judging by the figures which I have just cited. The only other port on the lake for which

I have been able to obtain figures is the port of Belleville and in 1910 the exports by water from Belleville were 13,000 shingles, 1,121 tons of merchandise, and 1,754 tons of cheese, most of which went eastward. The figures for Kingston are not available, but practically all the westbound freight from that point came through from Montreal and most of the grain vessels discharging at that port go West light. It is safe to say that the enlargement of the Welland canal will create practically no new westbound trade from Canadian ports on lake Ontario. The only advantage to be derived by Canadian shippers will be the saving in cost of carriage of grain from the head of the lakes in vessels of say 3,000 tons as compared with that of carriage in vessels of 1,500 tons. On the other hand, the large American freighters will gain very substantial advantages over those which they at the present time enjoy. For instance the American vessels carrying Canadian grain from Fort Wiliam to Oswego, instead of to Buffalo, will discharge their grain at a point ninety miles nearer New York by rail. If the cargo is to be transferred to barges for cariage by the Erie canal to New York, it will gain whatever is saved by a reduction of 148 miles of canal carriage, as it is only 204 miles by the Erie canal to the Hudson river from Oswego, as against 352 miles from Buffalo. Taking for instance the rate of canalling as three miles an hour, this represents a saving of 49 hours on each trip between the lakes and New York; or at four miles an hour a saving of 37 hours, in other words a net saving of from 24 to 36 hours on each cargo on the way to New York. If the American freighter goes on down to Ogdensburg, it will be within 400 miles of Boston and Portland, and can secure from New England points a large return trade in package freight. It may be argued that a Canadian vessel can go to American ports for return cargoes of coal. Both American and Canadian vessels carry large quantities of coal westward from Lake Erie points. The soft coal or bituminous coal areas lie south of lake Erie and the shipping points for this coal are Cleveland, Ashtabula and other ports on the south side of the lake. The anthracite or hard coal area lies south of Oswego; Buffalo is the main point of shipment for anthracite coal, about 3,000,000 tons a year having been shipped from that point. When the Welland canal is enlarged American freighters can descend to lake Ontario, and the result will be the transfer of a large share of the west-bound anthracite shipments from Buffalo to Oswego, which is ninety miles nearer by rail to Scranton, a common point on the way out from the mines. Even with the disadvantage of being obliged to use vessels of Welland canal size, Oswego shipped in 1910, 200,000 tons of anthracite coal westward. American grain boats discharging grain at Oswego can therefore load a full return cargo of anthracite coal. On the other hand, Canadian boats will to a large extent be debarred from this trade. The bulk of the Canadian imports on the upper lakes is soft coal. In 1911 the amount of hard coal carried through the Sault canal to Canadian ports was only 189,383 tons, while soft coal carried amounted to 1,770,442 tons; thus while American boats coming down to lake Ontario will be able to secure full cargoes of anthracite coal, most of the Canadian boats will have to go back light at least as far as lake Erie points for a return cargo of soft coal. So that whether you look at the comparative conditions for carriage of eastbound freight to the coast or the securing of return cargoes on lake Ontario, the competitive advantages of American vessels would appear to be very greatly increased by their being able to come down to lake Ontario, while Canadian vessels would find their conditions very much the same as they are at the present time. There appears to be only one solution to the question of increasing our Canadian waterborne trade. That to my mind is to construct a through waterway from the lakes to the seaboard in the shortest possible time, such that the largest vessels on the lakes, if necessary, can go to tide water without breaking bulk. At the present time there are two proposals; one is the enlargement of the present St. Lawrence canal system, and the other is the construction of the Georgian Bay canal. With regard to the first proposal, there are many serious obstacles to carrying out this work, both as to completing it within a reasonable time and as to the question of international entanglements. It seems that from a discussion which took place before the Canadian Society of Civil Engineers some two years ago, there is no definite information with regard to the cost of improving the St Lawrence river. On page 319 of the transactions of the Canadian Society of Civil Engineers, volume 25, part I, I find the following:

A discussion was introduced by Mr. Henry Holgate of Montreal with regard to the upper St. Lawrence river, and the following resolution was moved: That the council of the Canadian Society of Civil Engineers be requested to take up and study the suggestions made that the Dominion Government be urged to make a study of the river St. Lawrence and its possibilities, and that a comprehensive report be submitted before any commitment be made by the Government for the damming of the river St. Lawrence at any points, or the carrying out of any

other great scheme of canal transportation; and that the council be requested to take this matter up, and if advisable to make a report to the Dominion Government.

You will notice one clause there which says:

Or the carrying out of any other great scheme of canal transportation.

The result was that the discussion drifted into the claims of the Georgian Bay canal as compared with the St. Lawrence and the Welland route. Mr. St. George of Montreal, a member of the society and a prominent engineer, stated that the words, 'Or the carrying out of any other great scheme of canal transportation' should be expunged, as the society agreed as to the necessity of a survey of the St. Lawrence, but its interference in any great national question might be unwise. The result was that the resolution was moved to be reconsidered; and I do not think has ever come up at any subsequent meeting of the society. The late Mr. George Y. Wisner, who during his lifetime was one of the most prominent hydraulic engineers in the United States stated before a committee of the Canadian Senate that a water-way via the St. Lawrence, equal to the proposed Georgian Bay canal would cost twice as much as the latter project.

In dealing with the St. Lawrence waterways question, two plans have been submitted for consideration. One is to enlarge the St. Lawrence canals by means of heavy embankments and cuttings on the mainland, and the second is to raise the water levels by dams across the river, and create slack water stretches similar to those proposed on the Gorgian bay canal route. With regard to the first plan, it seems to me it is not in any way feasible. There are, as we all know, very large rapids in the section between Prescott and Cornwall; there are over 23 miles of canal in this section alone, with swift river stretches not safely navigable by large vessels. For the most part we are confined to cuttings, through the main land, or embankments along the river, whereas the Americans, holding all the principal islands, can obtain deep water on their side by placing dams between these islands and overcoming changes of level by locks.

The second scheme, which is the one suggested by Mr. Henry Holgate, of Montreal, and by General Bixby, Chief of the United States Army Engineers, is that of constructing dams to drown out the rapids and create slack water stretches similar to those proposed on the Ottawa river. These dams would necessarily be much larger, and consequently more costly, and the character of the shores and of the river at the rapids is not nearly so favourable as on the Ottawa. Another objection to this plan would be the international character of the river, especially between Prescott and Cornwall, where very large rapids would have to be overcome, and, consequently, international dams constructed. That being the case, the United States would be joint owner of the waterpowers and navigation development, and should, therefore, contribute its share to the cost of the necessary works. Should this take place, it would have the effect of making the entire St. Lawrence-Welland canal route an international one—a route on which Canada has spent $80,000,000 of her own money. Article 26 of the Treaty of Washington of 1871 provides as follows:

Navigation of the river St. Lawrence ascending and decending from the 45th parallel of north lattitude, where it ceases to form the boundary between the two countries, from, to, and into the sea, shall forever remain free and open for the purposes of commerce to the citizens of the United States, subject to any laws and regulations of Great Britain or the Dominion of Canada not inconsistent with such privilege of free navigation.

By an article of the same treaty, the United States is given equal rights with Canada in respect of the Welland canal. It must, therefore, be agreed that control of the avenues of trade between the Canadian Northwest and the Atlantic seaboard cannot be shared with a foreign nation, but that Canada ought to maintain sole control. The principle laid down by the Toronto Board of Trade in this regard seems to be a most feasible and logical one It is as follows:

It is essential to the commercial independence of Canada, perhaps pre-requisite to the preservation of the political union of the provinces that we shall have within our own boundaries, and subject to no control but our own, the means of transporting the products of every part of our country to every other part, and also that we shall maintain all Canadian routes by which the produce of all the provinces may reach the world's markets.

It would therefore be much more advantageous for Canada to open a through waterway from the Ottawa river to the seaboard, and retain our present control of the St. Lawrence-Welland canal system—giving us the benefit of the possession of two alternative routes under our absolute control—than to depend entirely on an international waterway along the border, under international control. Canadians have recently, and with no uncertain voice, decided that it is esential for Canada to retain full control of the commerce between the provinces of the Dominion and to maintain a national policy with regard to our tariff instead of entering into a

reciprocal agreement with our neighbours to the south. And it is, to my mind, also essential to have a strictly independent national transportation policy, devoted to building up the East and West trade within our own borders. The Georgian bay canal project will, if consummated, furnish a route entirely free from international entanglements, and will ensure Canadian trade to Canadian vessels and Canadian ports.

Mr. George W. Stephens, ex-Chairman of the Montreal Harbour Commission, has stated:

> I believe if all Canadians concentrate on the Georgian Bay canal and build it, our American friends would be forced to build the enlarged Welland canal. We ought to all work for the integrity of our Canadian water transportation, and not do anything that will help to divert our export and import business through foreign ports.

It must be admitted that if the St. Lawrence-Welland system of canals is to be dealt with at all, it must be dealt with as a whole—that no half-way measures will be effective. More than three-quarters of the entire Welland canal traffic of Canada passes through the St. Lawrence canals, and either section without the other will therefore be of little or no benefit to Canada. As was stated by the Minister of Railways and Canals last session, the Welland enlargement involves the deepening of the St. Lawrence canals as well.

I wish to point out one or two of the advantages to be derived from the building of the Georgian Bay canal. Mr. W. F. Tye of Montreal, a prominent engineer, pointed out in the discussion to which I referred, in regard to the improvement of the St. Lawrence system, that the development of power in the future especially will be much more important to Canada than the development of transportation. He pointed out that our American neighbours had been very extravagant and wasteful in connection with the development of their natural resources. He showed that the method of coal mining in the Appalachian basin had been most extravagant and that the fuel in that section of the United States was within measurable distance of being exhausted. The United States Geological Survey says that for every ton of coal mined in the United States at least one and a half tons have been left in the ground; the lowest and easiest seams have been mined first and the consequence is that the roof and floors of the upper seams have been destroyed owing to disturbances. Mr. Tye points out that the waste of natural gas in the Appalachian basin has been even greater than the waste in connection with coal mining. The result, he states, is that the great supply of natural gas fuel in Pennsylvania and the whole United States is within a measurable period of exhaustion. Some authorities estimate that the coal will not last over 100 years. Then there is the question of the high-grade iron ores. These are rapidly becoming diminished. Dr. Allerton I Cushman, director of the Bureau of Industrial Research at Washington, estimates that these high-grade ores will be exhausted within thirty years. Therefore, with the depreciation of the high-grade iron ores in the United States and the increase in the cost of coal which must result from the waste of the easily mined seams, the great advantages possessed by Pittsburg and the Ohio Valley as a manufacturing centre will disappear and with the loss of these advantages will come Canada's opportunity. Mr. Tye points out that it is conservatively estimated that the Ottawa and its tributaries will give 3,000,000 horse-power, equivalent in power development to the mining of 40,000,000 tons of coal per annum. Water-power, unlike coal, can never be exhausted, and with the rapid depletion of coal and iron and with the enormous power of the Ottawa and the great deposits of low-grade iron in the Ottawa Valley, it is easily possible that in years to come the great manufacturing centre of this continent may be transferred from the Ohio Valley to the Ottawa. For such reasons as this the construction of the Georgian Bay canal is a national necessity. Mr. Tye also refers to the question of water powers on the St. Lawrence river. He admits that they are very extensive, but he also points out the fact that one-half of the power developed there would belong to our neighbours to the south.

Opponents of the Georgian bay project contend that there would not be sufficient water on the summit-level to operate the locks. Two schemes are proposed, namely, to make the present summit-level, which includes lake Talon, lake Turtle, and Trout lake, the summit-level of the canal. This is called the high summit-level. The other project is called the low summit-level. That involves using lake Nipissing as the summit-level. I need only refer to the report of the Government engineers with regard to the quantity of water supply at the high summit-level. They point out that by tapping certain bodies of water in the neighbourhood of the summit-level a supply sufficient to provide for 54 lockages, equal to 45,365,000 tons of freight per annum, is available. With regard to the second project, that is making Lake Nipissing the summit-level, there is an inexhaustible supply of water. Lake Nipissing has a drainage area of 4,077 square miles and a water area of over 300 square miles with a low-water discharge of 3,600 cubic feet per second. That is equal to 164 lockages per day for the passage of one vessel or sufficient for five sets of locks side by side, with 137,760,000 tons of traffic per annum. The

only objection which might be raised to the second scheme, that is the adoption of lake Nipissing for the summit-level, is the extra cost, which is estimated at $12,000,000. On the other hand, it would obviate the necessity of an extra lock at the east end of the summit-level and an extra lock at the west end of the summit-level and consequently the cost and maintenance of these two extra locks. Personally, in looking over the merits of the two summit-levels, I would strongly recommend that when the canal is built the lake Nipissing level should be made the summit, and if that is done it will ensure a sufficient quantity of water for canal purposes for all time to come.

With regard to the bends and curves on the route, it has also been argued that the number of bends and turns on this route would impede navigation and that while the route is some 300 miles shorter than via the great lakes and the St. Lawrence the saving in time of transit would be very small as compared with the St Lawrence route.

Let us assume for a moment that this argument has some merit. Let us assume also that a vessel entering the canal would lower its speed. What would be the result? Its consumption of fuel would naturally be lessened, that is, it would be much smaller that than of a vessel endeavouring to shorten its time on the Great Lakes and St. Lawrence route. Some other items of expense would also be less. It is a well known fact however that the consumption of fuel varies nearly as the cube of speed, or in other words, double the speed requires eight times the quantity of fuel. The extent of this saving therefore, is very apparent; otherwise, as the St. Lawrence and Welland canal route is on the round trip 564 miles longer than the Georgian bay canal route, we would be facing the fallacy that a vessel could haul freight 564 miles for nothing. It is the round trip that should be considered, because it is necessary to complete the commercial exchange. As a matter of fact however, there are five miles more curvature on the Welland and St. Lawrence systems than on the Georgian bay canal system. In 449 miles of the proposed route of the Georgian bay canal there are only sixty-nine miles of curves or fifteen and a half per cent of its total length which would affect navigation as against seventy-four miles of curves affecting navigation on the Welland and St. Lawrence route. It could also be argued that the longer stretches on the lakes are a source of delay especially during the fall months, due to the prevalence of fogs and high winds. These impediments to navigation would not be apparent on the Georgian bay canal route.

There is another important point in connection with the construction of this canal, mentioned by my hon. friend from Wright, the effect of opening up a large area of new country where there are inexhaustible resources. My hon. friend referred to the question of Nova Scotia coal. This, it seems to me, would be an important factor in connection with the return cargo. It has been argued that in connection with this project there would practically be no return cargo. I think I have pointed out pretty conclusively that so far as the Welland and St. Lawrence routes are concerned, the return cargo is made up almost entirely of the coal traffic, and when we consider the amount of coal which has been carried from the United States into this country, it seems to me that we should endeavour to build up our own industries and not the industries of the republic to the south of us.

I have here some figures which I secured from the Department of Customs with regard to the imports of coal during the years 1910, 1911 and 1912. I will refer simply to the question of bituminous coal, because, as we all know, up to the present time at least, we have not found any anthracite coal deposits in eastern Canada. In 1910 there was imported from the United States 8,069,424 tons of bituminous coal to the value of $14,498,656. In 1911 8,581,691 tons, valued at $16,208,576; in 1912 11,170,350 tons equivalent to $21,425,223; or taking the anthracite coal imports for the last year and including them. I find that altogether there was some $40,000,000 worth of coal imported from the United States into Canada during the fiscal year ended March 31, 1912. Then, as I have stated, we have immense coal deposits in Nova Scotia, immense iron deposits along the north shore of lake Superior, and immense pulpwood tracts along the Ottawa, as well as large areas of hardwood, all of which would form important sources of traffic for this route. The Ottawa valley has been the chief source of pine lumber. While this particular wood is gradually becoming depleted, the lumber industry of this district will for many years to come be an important factor. I need only refer to a matter which came under my own personal knowledge. In the town of Pembroke last year the mills there sawed some fifty odd million feet of lumber. A considerable quantity of our lumber is exported, and naturally water carriage would be a much cheaper means of shipment than rail, as at present. Therefore, It would seems to me that in view of the many resources which are to be found in that locality and in view of the return cargoes of coal which we could get from Nova Scotia, so far as the question of securing trade for the route is concerned, it would be a very easy matter.

There are many other points to which I would like to refer, but before concluding I would like to refer to the work which has been done by the federated boards of trade and municipalities in endeavouring to point out the advantages of the Georgian Bay canal route. This is an organization which was formed a few years ago, and it comprises representatives from boards of trade as far west as Calgary and as far east as Prince Edward Island. The secretary of this organization, Mr. J. A. Forward, has been an indefatigable worker in securing data and placing the advantages of this route before the public, and I desire to pay a tribute to the good work which Mr. Forward has done in that connection. I have here some resolutions which have not already been placed before the minister, and I would like to send these to the Minister of Public Works in order that he may have an opportunity of looking over them. I have, amongst other papers, a telegram from D. J. McDonald, of Sydney Mines, N.S., dated March 13, 1912, just prior to the time the deputation waited upon the present Government in connection with this project. It is as follows:

Resolved, that town council, town of Sydney Mines, Representing some 8,000 people, heartily concur with all parties endorsing early construction of the Georgian Bay canal. We feel that it would be in the best interests of the whole of Canada, more particularly the Sydneys in which we are particularly interested, making it possible for the products of our mines and steel industries to be brought to our great Canadian markets by a shorter water route. At the same time we would ask that the Government retain for the people of Canada the water power developed on the Ottawa river.

(Sgd.) D. J. McDONALD,
Town Clerk.

In conclusion, I would like to impress upon the Government the need of commencing the construction of this work at the earliest possible moment. I know that the Minister of Public Works has been looking into this question very thoroughly because I have had occasion to speak to him with regard to the matter. He is a good business man and I feel convinced that he will find this a good business proposition. I therefore hope that within a very short time the Government will see their way clear to commence the construction of this great work.

Mr. E. PROULX (Prescott): As my hon. friend from Wright and my hon. friend from North Renfrew have gone very fully into the details of the question with respect to the Georgian Bay canal, I shall detain the House but a very short time with the few observations which I have to make upon the subject. The country is awaiting with great anxiety a declaration of policy on the part of the Government with regard to this important work. It was the intention of the late Government to have commenced the construction of this canal in the near future, or as soon as the revenues of the country would permit, and, as the revenues of the country have largely increased within the past few years, the people are of the opinion that the Government would be warranted in making a beginning. Last year the Government asked for a vote of $100,000 to commence dredging in the French river. I do not know what work has been done but I certainly expected to see a large amount placed in the estimates this year to begin work of constructing the canal. I am very much disappointed to see that there is no special vote in the estimates which were tabled in the House this afternoon for this work, whilst there is an item of $2,000,000 for the Welland canal. There is an item of over $1,000,000 for canals generally; I do not know whether it includes the Georgian Bay canal—I hope so. There has been an impression created lately that the Government are not very favourable to the building of a canal and that the hon. Minister of Railways and Canals is not very enthusiastic over the project. I hope the impression is false and I hope that the hon. Minister of Public Works will be able tonight to dispel that idea. Rumour has it that the Government intend to improve the navigation of the French river and lake Nipissing up to North Bay, and to make North Bay the point of distribution or, in other words, a Canadian Buffalo. They propose to have the grain unloaded in North Bay and then let the railways take it and carry it to Montreal or the Atlantic seaboard.

Mr. ROGERS: I never heard of such a proposition as that which the hon. gentleman suggests now.

Mr. PROULX: My hon. friend may not have heard of it, but I have heard it. It has been rumoured in North Bay itself. It is quite legitimate for the Minister of Railways and Canals to dream of making North Bay a great city and a great port, but I do not think it is a substitute for the all-water route which the country wants. The objection to the Welland canal is that the St. Lawrence route cannot be made navigable for large freighters, while the Georgian Bay canal, with a width of 200 feet and a depth of 22 feet, can be made

navigable for large freighters and there would be no unloading. Grain would be shipped by vessels from terminal to terminal. I do not intend to go very fully into the details as we are all familiar with them. This question has come up in the House in previous sessions and the newspapers have published so much with regard to it that the country is familiar with the important details. The area of the industrial and agricultural district affected by the transportation system of the great lakes is that stretch of country having its apex at Chicago and St. Louis in the United States and at Fort William and Port Arthur in Canada, stretching back to the west and the northwest, covering an area of over 1,250,000 square miles and comprising the states of Michigan, Indiana, Missouri, Illinois, Kansas, Nebraska, Iowa, Wisconsin, Minnesota, the Dakotas, and the provinces of Manitoba, Saskatchewan, Alberta, and part of New Ontario in Canada. It has a population of 26,400,000, while ten years ago it had only 22,600,000. It is the finest grain growing country in the world, and in 1909 produced 3,386,000,000 bushels of wheat, barley, oats, corn and rye. It is the distribution of a portion of this grain, together with the movement of iron ore, that has given the impulse to lake shipping which has brought it to its present magnitude and perfection of economical transportation.

A glance at the map will show the present position of this trade. The points of assemblage for this enormous traffic are: In the United States, on the one hand Kansas city and St. Louis, and on the other Chicago, Milwaukee and Duluth; and in Canada at Winnipeg, Fort William and Port Arthur. In these centres the grain is sorted, cleaned, classified and prepared for shipment, and from them it is sent for export either south to the gulf ports of New Orleans and Galveston, or east to Baltimore, Philadelphia, New York, Boston, Portland and Montreal, or to immediate points for distribution in the densely populated areas of the east.

With regard to the export of wheat, we see that in 1899 there was shipped by New Orleans and Galveston 26,038,000 bushels and in 1909, only 4,826,000 bushels. At the Atlantic ports, Baltimore, Philadelphia, New York, Boston, and Portland, in 1899, there were shipped 49,302,000 bushels and in 1909, 59,495,000 bushels, while from Montreal, St. John and Halifax there were shipped in 1899, 9,852,000 bushels, and in 1909 21,160,000 bushels. These figures show that the gross totals in each year are practically the same but that the exports from the gulf ports have decreased and those from the Canadian ports have increased to a remarkable extent. This route has the advantage over the St. Lawrence route that it would be an all-water route, and as my hon. friend from Renfrew has said, it would be free from international entanglements, and it would probably force the United States to change their project of enlarging the Erie canal into building a canal by way of lake Champlain. The cost of this work is estimated at about $150,000,000 and the revenue is estimated at about $8,000,000 per annum It is estimated that 16,000,000 tons would pass through this canal the first year of its operation and at a toll of 50 cents a ton that would give a revenue of $8,000,000. If we put the cost of maintenance at $1,000,000 per year, there would still be left $7,000,000 to pay the interest on the cost of construction which would be equal to four and two-thirds per cents on an outlay of $150,000,000. This is apart from any revenue which would accrue in due course from the sale of hydro-electric power. It is well known that very valuable water power is to be found on the route of the canal and that there are great possibilities in the forest wealth and the mineral wealth in the country contiguous to it. If this work is commenced to-day it is practically certain that at the time the canal is opened in ten years hence the very modest estimate of traffic used in the above calculation will have materially increased. With the same tolls every extra one million tons would give another $500,000 per annum revenue or about three-tenths of one per cent. on the capital cost. I shall not detain the House longer but I do hope that Parliament will soon be favoured with a declaration of policy from the Government and that we will know whether it is the intention of the Government to commence this work in the near future.

Mr. JAMES ARTHURS (Parry Sound): Mr. Speaker, in view of the very able and exhaustive speeches by the members for Wright and Renfrew, I shall not enter into the subject at any length to-night; but I desire to answer some of the objections that have been advanced as regards the feasibility and the desirability of building this canal. The hon. member for Prescott will pardon me if I do not follow him in the remarks he has made, but I notice he is somewhat more insistent on having a declaration of policy from the present Government than he was in having a declaration from the late Government in spite of the fact that Mr. Pugsley, former Minister of Public Works, and the right hon. Sir Wilfrid Laurier, former Premier, had said that this would be the next great work undertaken in Canada if they were continued in power. This is no

new project. Surveys for such a canal were made as far back as 1839 and various surveys have been made from that time up to the present. We find that the reports of the engineers were on every occasion favorable to the construction of this great work. We find also that the Americans, through some of their best engineers, have been strongly of the opinion that this work was not only feasible but could be constructed at a very moderate cost compared with the great utility it would be to the continent of America. We have the report of the commission appointed by the United States Government for the improvement of the Erie canal, wherein they state that if Canada goes ahead with this work it will place the grain-carrying trade of the American continent almost entirely in the hands of Canadians. There has been a mistake made in the past and even up to the present time in naming this the Georgian Bay canal. As a matter of fact, according to the survey sent out by the late Government (who by the way made a very exhaustive report at a cost of about one and a quarter million dollars) the total distance to be canalled does not exceed twenty-eight miles, and there are some thirty-five miles of river to be improved, curves straightened and so on. It is stated that the balance of this long waterway is entirely navigable, and as most members of the House know, a greater portion of this distance is through lakes, many of them miles wide and entirely free from any obstruction of any kind. The objection has also been raised—and I think the hon. member for North Renfrew has answered it more fully than I can—that there would be dangerous bends and obstructions in the streams included in this canal, but those who have been over the route know perfectly well that there is no greater difficulty in navigating any portion of this waterway than there is in navigating into the Sault canal and Detriot river at the present time. The curves are just as dangerous there as they would be in any portion of the so-called Georgian Bay canal. Another objection that has been raised by those opposed to the scheme is that this canal would freeze up somewhere about July, or August, or September or October or something of that kind, but coming as I do from that part of the country I know perfectly well that these waters are open long after the Sault canal is closed and that on the average they are open two weeks after navigation has ceased in the harbour of Montreal. It has been stated by the engineers of the Government in their report on the general survey of this canal, that the water supply would be sufficient for 29 lockages each way per day. Take it even on a very much smaller basis; assume for the sake of argument there was not that supply of water, and suppose we could have ten lockages per day of a vessel of 1,000 tons carrying about 300,000 bushels of grain, the result would be that with only the ten lockages there would pass through that canal grain equal to 3,000 carloads or 100 trains of thirty cars each. If on the other hand we could carry on thirty lockages per day we find it would be equal to 300 trains per day or about twelve trains of thirty cars each per hour. There is also this to be considered: that 1,000,000 hydraulic horse-power would be developed. When we remember that the great city of Minneapolis, the flour milling centre of the world, derives its greatness entirely from the fact that it has water-power from the river it is located on, when we remember that all the grain must be taken by cars to Minneapolis and the flour carried to the seaboard on trains, we can see how great the advantage would be if a vessel carrying two or three hundred thousand bushels of grain could tie up at or near one of these great water-powers on the canal and inside of twenty-four hours replace her cargo of grain with a cargo of flour and continue her voyage with that same grain manufactured into flour. This is no dream; it is entirely possible and feasible, if this great work is carried on. As has been pointed out by the hon. member for North Renfrew, we have immense timber resources which are lying idle, and portions of which are being almost daily burned; these would be rendered available by the opening up of this canal. It has also been pointed out that by the opening up of the canal, western Ontario ports as far west as Port Arthur and Fort William would be a market for the coal of our eastern provinces. There is one small port in my own riding which imported this year upwards of 500,000 tons of soft coal. If this canal were an accomplished fact, I have no doubt that every pound of that coal could be brought as cheaply and more cheaply to the point of consumption by the canal, and could be brought from Canadian mines. This coal of which I speak has to be taken by rail eighty to a hundred and eighty miles after it is landed at the Georgian Bay port. In this way we find that the building of this canal would be of benefit to almost all classes in Canada and to almost all sections of Canada. It is not local in any sense of the word; it is not a canal or a work being built for the benefit of the constituency of North Renfrew, or for the benefit of the county of Wright; but it is a work that would benefit almost every constituency in the Dominion of Canada. The hon. member for North Renfrew has also pointed out very exhaustively that at the present time we have about one hundred small boats

navigating the great lakes. There is a reason for that, as has already been stated by the hon. member. If, on the other hand, we had a canal entirely through Canadian territory on which we could control the tolls ourselves, or in other words on which we could give a benefit to the Canadian shipper, is it not reasonable to suppose that our merchant marine upon the great lakes would vastly increase? The result would be that our grain from the West and our coal from the East would be carried in Canadian instead of in foreign bottoms, as they are at the present time. I am very firmly of the belief that the time for the construction of this great water-way is the present. As has been pointed out, it will take ten or perhaps more years in building. In this regard, I might just state that there is a difference between this water-way and most others, in that as soon as is commenced, it will be of some benefit. I know something about that section between Georgian bay and lake Nipissing. I listened very closely to what the hon. member for Prescott had to say in that regard, and I want to point out to him that possibly the greatest Minister of Public Works who ever sat under his esteemed leader, the late Hon. Mr. Tarte, of Montreal, was very strongly of the opinion that the canal should be commenced immediately and completed as far as lake Nipissing at least, until they found out the feasibility of the rest of it. The building of the canal, the opening of the French river as far as lake Nipissing, will give to Canada at a very small cost many additional ports; it will give grain routes very much shorter than we have at the present time, by any of the ports through which we carry our grain to Montreal, and in that way even the commencement of the canal will be a benefit to Canada as a whole. If the canal was started simultaneously from both ends, it is not reasonable to suppose that the opening of the canal between Ottawa and Montreal would be a benefit to Canada? It is quite clear to me that the commencement of the water-way, if it is done at the present time, will be of immediate benefit, without the necessity of waiting for the entire completion of the work. I was pleased to see the estimate of $500,000 for the French river end of the canal, or for the French river, which I presume amounts to the same thing. I only desire that the Government, between now and the end of the session, may see its way clear to add greatly to that amount.

Personally I have no desire to knock the Welland canal. I think that because we are advocating the building of the Georgian Bay canal, we should also be quite willing to allow these other works to go forward. As has been very ably pointed out by my hon. friend from North Renfrew, the deepening of the Welland canal at the present time will benefit American and not Canadian ports. As far as the city of Toronto is concerned there is absolutely no use of deepening the Welland canal to 24 feet, because the harbour of the city of Toronto has only about twelve feet of water as an average, and any boat which can go into the city of Toronto at the present time can very easily go through the Welland canal. The same is true of almost all the ports on the Canadian side. I think some of the ports east of Toronto have probably only about nine feet of water as a rule. The only port to be materially benefited will be the port of Ogdensburg on the American side. Another objection to the Welland canal is that it is entirely free to the American shipper. We have no special advantages in that water-way, although it may cost $50,000,000 to build; the Americans have the same rights as we have, and must have them according to the treaty we have at the present time. I am not an alarmist; but as has been already pointed out by the hon. member for Wright, it is more or less exposed and lies along the international boundary. Besides that we have this to think of, that the deepening of the Welland canal, the deepening of the whole St. Lawrence system will develop nothing new in Canada; it may increase our facilities at the same time that it increases American facilities for carrying grain; but it will open no new territory, develop nothing new at any port of Canada, and as I pointed out before, until the St. Lawrence canals are deepened to the same length, it will benefit the Americans and the Americans only The Georgian Bay canal will be a Canadian canal entirely. As the right hon. the leader of the Opposition said, it will be built, owned and manned by Canadians; it will benefit the Canadian farmer in the West; it will benefit the Canadian miner in the East; it will benefit the Canadian lumberman and the manufacturers throughout Ontario. It will develop, as I said before, 1,000,000 horse-power which is to-day idle, and which is passing entirely unused over the waterfalls of that northern country. It will build up industries throughout Canada, and I believe that it will make Canada entirely independent of the carrying trade of our neighbours to the south.

Mr. AMES: I beg to move the adjournment of the debate.

Mr. OLIVER: If the debate is now adjourned, the motion goes down on the Order Paper and probably will not be reached again this session. I understand that is the rule at the present time. I believe that the ex-Minister of Railways and

Canals would like very much to have something to say in regard to this motion, and if by any means, by consent of the House or otherwise, it would be possible to adjourn the debate and allow the motion to occupy its place on the Order Paper, so that those who have not spoken—the ex-Minister of Railways and Canals included —would have an opportunity of doing so, it would be very much in the interests of all concerned.

Mr. ROGERS: I think it is not necessary to adopt any special rule as to the placing of the motion in any particular place on the Order Paper. I am aware of the fact that when the opportunity presents itself, the hon. member for South Renfrew and others wish to say something in connection with the Georgian Bay canal. I may say to my hon. friend that as Minister of Public Works I desire to avail myself of an early opportunity of saying something in connection with this great national undertaking, and as far as the Government is concerned, it will be pleased at an early date to bring this matter before the House for further discussion.

Mr. SPEAKER: The rule of the House in regard to a matter of this kind would prevent its being placed on the Order Paper, but the Government could, of course, call it up at any time it might desire to do so.

Mr. OLIVER: I understand the Minister of Public Works assures the House it will be called up at a later date.

Motion agreed to, and debate adjourned.

UNOPPOSED AND UNDISCUSSED MOTIONS.

For a copy of all letters, telegrams, papers and documents relative to the disimssal of Captain Lyons, of the dredge Northumberland, and the appointment of his successor.—Mr. Macdonald.

For a copy of all papers in connection with the withdrawal from settlement of a strip of land one mile in width along the line of the Hudson Bay railway, and of the Order in Council, and also of all plans and correspondence in connection with the same, prior and subsequent thereto.—Mr. Graham.

For a copy of all Orders in Council, and of all letters, telegrams, complaints, petitions and of all other documents of any kind, in the possession of the Government, or of any department or official thereof, in any way relating to or concerning the dismissal of Dr. Clarence T. Campbell, post office inspector of London, Ontario.—Mr. Ross.

For a copy of all Orders in Council, letters, telegrams, reports, petitions and other papers and documents in the possession of the Department of Marine and Fisheries, or any department of the Government, relating to the granting of licenses to pack lobsters, and bearing date between January 1, 1912, and January 25, 1913.—Mr. Sinclair.

For a copy of all letters, telegrams, reports and other papers and documents received from the offices of the Canadian Brotherhood of Railway Employees by the Department of Labour, or the Department of Railways and Canals, between the 1st day of January, 1912, and the 25th day of January, 1913, relating to investigations and dismissals of employees for political partisanship, and of the replies thereto.—Mr. Sinclair.

For a copy of all charges, correspondence, letters, telegrams and other documents relative to the dismissal of Alex. Matheson, postmaster at Boulardarie, riding of North Cape Breton and Victoria.—Mr. McKenzie.

For a copy of all charges, correspondence, letters, telegrams and other documents relating to the dismissal of Mrs. A. J. McKay, postmistress, at Cape Dauphin, riding of North Cape Breton and Victoria, and of the evidence taken and reports of the investigation held by H. P. Duchemin, in regard to the same, with a detailed statement of expenses of such investigation.—Mr. McKenzie.

For a copy of all charges, correspondence, letters, telegrams and other documents relative to the dismissal of Dan Dunlop, postmaster at New Campbellton, riding of North Cape Breton and Victoria, N.S., and of the evidence taken and reports of the investigation held by H. P. Duchemin, in regard to same, with a detailed statement of expenses of such investigation.—Mr. McKenzie.

For a copy of all charges, correspondence, letters, telegrams and other documents relative to the dismissal of Roderick Bain, boatman at New Campbellton, riding of North Cape Breton and Victoria, N.S., and of the evidence taken and reports of the investigation held by H. P. Duchemin, in regard to same, with a detailed statement of expenses of such investigation.—Mr. McKenzie.

For a copy of all letters, petitions, telegrams, complaints, communications, reports and other papers and documents, received since the first day of October, 1911, by, and now in the possession of the Department of Railways and Canals, the Government Railway Managing Board or any official of the Intercolonial railway or of the Prince Edward Island railway, relating to or in any manner appertaining to an application for, or a proposed reduction of, the working hours for the Intercolonial railway employees at Moncton, or at any other point of the Intercolonial railway or the Prince Edward Island railway.—Mr. Emmerson.

For a return showing in detail the number of dismissals from public offices and positions of emolument by the present Government since the first day of October, 1911, to this date, in the county of Westmorland, New Brunswick, in connection with any of the departments of the public service; together with the names of the dismissed officials or employees, the reason for their respective dismissals, the complaints or charges against them, and by whom made, save and except the case of George H. Cochrane, collector of customs at Moncton (the papers for which have been already moved for); together with a copy of all correspondence, letters, telegrams and other communications with respect to each such case of dismissal, and of all minutes of evidence of investigations, where any such were held, and of all reports relating to such dismissals now in the possession

of any of the departments of Government, or of the Government Railways Managing Board, or of the officials of the Intercolonial and the Prince Edward Island railways; also the names of all parties appointed to fill the vacancies caused by such dismissals, and the names of the persons by whom the same have been respectively recommended for appointment; together with a detailed statement of all amounts and expenses paid by any department in connection with the said dismissals and investigations or removals from office.—Mr. Emmerson.

For a return showing how many postmasters and other post office employees were removed from office respectively from the 1st of July, 1896, to the 1st of October, 1911, and the number in each province; and from the 10th of October, 1911, up to date, with the number in each province; also the number of post offices in operation in each provinue on the 1st July, 1896.—Mr. Rainville.

For a return showing the number of applicants for Fenian raid bounty, the names and addresses of the applicants, the names of those to whom the grant has been made, and of those to whom it has been refused, with the reasons for the refusal, and a copy of the regulations under which said Act is being applied.—Mr. Macdonald.

For a copy of all letters, correspondence, reports and other documents in the possession of the Department of Railways and Canals relating to an application by the Central Railway Company of Canada to the hon. Minister of Railways and Canals for the approval of their proposed route between Hawkesbury and South Indian.—Mr. Proulx.

For a copy of all correspondence, letters, telegrams and other documents relative to the dismissal of William Bow, postmaster at Winchester village, county of Dundas, and of all recommendations for the appointment of his successor.—Mr. MacNutt.

For a copy of all telegrams, letters and other documents passing between the Government of Canada, or any member thereof, and the Government of the province of Saskatchewan, or any member thereof, with respect to chapter 17 of the Statutes of Saskatchewan, 1912, being an Act to prevent the employment of female labour in certain capacities.—Mr. Martin (Regina).

On motion of Mr. Rogers, House adjourned at twelve oclock, midnight.

HOUSE OF COMMONS.

TUESDAY, February 4, 1913.

The SPEAKER took the Chair at Three o'clock.

PRIVATE BILLS.

FIRST READINGS.

Bill No. 109, respecting the British Columbia and White River Railway Company.—Mr. Bristol.

Bill No. 110, respecting the Canadian Pacific Railway Company.—Mr. Sharpe (Lisgar).

Bill No. 111, respecting the Imperial Underwriters Corporation, and to change its name to 'Imperial Underwriters Corporation of Canada.'—Mr. Green.

Bill No. 112, respecting the North Empire Fire Insurance Company.—Mr. Turriff.

Bill No. 113, respecting the Pacific and Hudson Bay Railway Company.—Mr. Clements.

Bill No. 114, to incorporate the Port Nelson Company.—Mr. Beattie.

Bill No. 115, to incorporate the Prudential Life of Canada.—Mr. Meighen.

ADJOURNMENT—ASH WEDNESDAY.

Mr. BORDEN moved:

That when the House adjourns this day, it stand adjourned until Thursday next, the 6th instant, at three o'clock p.m.

Motion agreed to.

APPOINTMENT OF SOLICITOR GENERAL.

On the Orders of the Day being called:

Mr. MACDONALD: I would like to ask the right hon. Prime Minister a question. Next Monday the position of Solicitor General will have been vacant for a year and four months, or sixteen months in all. I noticed in the press the other day a statement that it was intended to fill this vacancy by the appointment of a gentleman from the province from which I come. I would like to ask my right hon. friend whether the rumour is correct, and if not, when he intends to fill the vacancy.

Mr. BORDEN: I did not observe the newspaper announcement to which my hon. friend calls attention, and I do not know what it was. The subject has not been under consideration recently, owing to the pressure of public business. Whenever any conclusion is reached, it will be announced to my hon. friend and to the other members of the house without delay.

Mr. MACDONALD: Don't you think you had better abolish the office?

Mr. BORDEN: I do not think so.

INTERCOLONIAL RAILWAY—TRANSPORTATION OF HAY.

Mr. CHISHOLM (Antigonish): On the 26th of November I had a question on the Order Paper with respect to the free or reduced transportation of hay over the Intercolonial railway for the eastern counties of Nova Scotia. The question stood on several occasions when called. After the 15th of December the question disappeared from the Order Paper without any answer having been given. Will the Minister of Railways now state whether there has been any arrangement made for free or reduced

transportation of hay for the county of Antigonish or any of the other eastern counties, or whether it is his intention to make such an arrangement?

Mr. SPEAKER: This is scarcely a question of privilege

Mr. CHISHOLM: It would be if I spoke on the question having been dropped from the Order Paper without my consent.

Mr. SPEAKER: If the hon. member directed his remarks to an inquiry as to why the question was dropped from the Order Paper, it would be a question of privilege, but it is quite a different thing to question the minister now.

Mr. CHISHOLM: I thought perhaps it might expedite matters if I put it that way.

Mr. COCHRANE: I do not know how the question was dropped from the Order Paper. It was not done at the solicitation of the Government. I answered in the house orally, that the question whether the people in the districts referred to by my hon. friend would be assisted in getting their hay was under the consideration of the Government. As to the general principle of the Intercolonial railway giving free transportation, that did not enter into the question. If free transportation is to be given at all, provision will have to be made for it by a vote of Parliament.

NAVAL FORCES OF THE EMPIRE.

Consideration of the proposed motion of Mr. Borden for the second reading of and concurrence in the resolution reported from the Committee of the Whole for increasing the effective naval forces of the Empire, and the proposed amendment of Sir Wilfrid Laurier thereto, resumed from January 31.

Mr. O. TURGEON (Gloucester, N.B.): When the debate on this question was adjourned last Friday night, I had made known my opposition to the proposition now before the House, and had expressed my regret at the policy of procrastination adopted by the present Government after the election of the 21st of September, 1911, which had frustrated the steps taken by the Canadian people, with the assent of both sides of the House, towards the construction of a Canadian navy which was to be at the service of the Empire whenever needed. I stated that some of the hon. gentlemen opposite, as well as some of the newspapers supporting the Government had declared that the naval policy of the right hon. the leader of the Opposition was a policy of separatism. I added that if there was one man more than another devoted to the maintenance of the supremacy of the British Empire, it was the modest member for Gloucester, and I said I believed that every member on this side of the House entertained similar sentiments. I am surprised that to-day any member of this great Parliament of Canada could suggest for a moment that there are yet sane men in this country who wish to obtain separation from the Empire. As to the naval policy of the Right Hon. Sir Wilfrid Laurier and the Liberal party in Canada, and as to its superiority in an empire sense over the policy proposed by the Right Hon. Mr. Borden and the Conservative party, I shall not give you my authority, but I shall cite the words of some of the most eminent statesmen in the British Empire. At the very time two or three years ago, that the Liberal party were getting the assent of this Parliament for the construction of a Canadian navy, Lord Milner was in Toronto, where he delivered an address full of good sense and of the most patriotic sentiments. In that address he said:

> It is not a question of shifting burdens, but of developing fresh centres of strength. For this reason I have never been a great advocate of contributions from the self-governing state to the army and navy of the United Kingdom, though as evidences of a sense of the solidarity of the Empire such contributions are welcome, and valuable, pending the substitution of something better. But I am sure that the form which Imperial co-operation in this field will ultimately take, and ought to take, the form at once most consistent with the dignity of the individual states and most conducive to their collective strength and organic union, is the development of their several defensive resources in material and in manhood. I know that it may be argued—it has been argued—that individual strength would make for separation. But I have no sympathy whatever with that point of view.
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> The professional and technical, not to say the strategic, arguments for a single big navy of the Empire are enormously strong, so strong that they have to some extent overcome in the past, the political objection. But without wishing to be dogmatic on a subject which requires a great deal more careful study on all hands than it has received, I must say that, speaking as an Imperialist, I feel the political objection very strongly.
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> If the self-governing states were going, under our present constitutional arrangements, merely to contribute to a central navy, whether in money, or better still, in men and ships, I do not think they would take that interest and pride in the matter which it is essential they should take. They would continue, as now, absorbed in their local affairs, and, even if they felt their obligation to the Empire as a whole, they would rest content to have discharged it by such a contribution. The contribution, in these circumstances, would probably not be large; but that is not really the weakest point in such a system. Its fatal weakness is that the participation of the self-governing states in Imperial affairs would begin and end with the contribution.

These are not my words. Providence has not endowed me with the necessary attainments to enable me to frame such a speech on the future of this great Empire. I commend it to the hon. member for Frontenac (Mr. Edwards), who spoke so violently against the policy of the Liberal party. Other members spoke along the same line some days ago. I commend this statement of Lord Milner to their careful study and cogitation. I think it ought to be sufficient for them. Meanwhile allow me to give you another authoritative expression of opinion, referred shortly after this debate commenced, a few days before the leader of the Opposition proposed his policy to this Parliament, and before the Minister of Trade and Commerce gave his views in support of the policy of his right hon. leader. It is the expression of opinion of a man belonging not to the Liberal party in England, but one who has been and will perhaps again be the leader of the English Conservative party, the Hon. A. J. Balfour himself. Speaking on December 1st at a great gathering in the Holborn restaurant to celebrate St. Andrew's day, Mr. Balfour. who presided, spoke on Imperial nationality, as follows:

> He referred to the great part his countrymen had played in reconciling the principle of nationality with ardent patriotism in various parts of the world. It was only by emulating that example that the future of the Empire could be secured. People in Canada and the overseas dominions must have, and will have their own feeling of nationality. Every Canadian ought to want to feel that Canada has got its own principles of development, and in future do not let us discourage that local patriotism, he said. Let them cultivate their own feeling of nationality. Canada for the Canadians, Australia for the Australians, but the whole for the British Empire.

I say again that the maintenance of our own navy and our willingness to place it at the disposal of the Empire when required, will be of greater service to the Empire than a policy of contribution. It will keep the coming generations of Canada, actively absorbed as they are in the development of the resources of the East and the West. also nourishing the pride and the dignity of Canada. Other authorities have been quoted. I do not know whether I would quote them, as I may possibly be repeating what has been said already at the risk of fatiguing the House, as this question is so important and so vital to the future of Canada, I will give the expressions of opinion of a few of the leading men of the British Empire, who have been asking Canada to follow the policy of the hon. leader of the Opposition, when he said in 1902: 'I will not accept the principle of contribution, but I will build a Canadian navy as soon as the facilities of Canada will permit, and as fast as the revenues of the country will permit.' One authority is no less than the First Lord of the Admiralty, Winston Churchill, in that famous speech which he delivered at a banquet of the Shipwrights' Company on May 15 last, a month after the great German Bill for expenditure on armaments was put through. Even after that Mr. Churchill was willing to give the dominions across the seas the time necessary for them to build their navies, knowing that he was prepared, as he said, for any attack from Germany or any other country. He advocated the development of such navies by all the sister nations of the Empire, and commended it as the best policy that could be adopted for the maintenance of the future British supremacy against all comers. He said on that occasion:

> The Admiralty was prepared to give the Dominion full control over the movements of their naval forces in times of peace. The policy of naval construction which lately has been brought to its final act, has given a real measure of security to the heart of the Empire. But the fact that the fleet must be concentrated at decisive theatres in European waters creates a new want, a new need and a new opportunity for the self-governing dominions.
>
> We should always be in a position to overdome the strongest combination of powers. We believe that we are in that position now and for the immediate future, but a war may be protracted or indecisive or, more likely, war may never come in our time. Meanwhile, and pending decision in critical theatres the general mobility of our fleet is reduced at the present time, and for some years to come we shall only be able to maintain a sufficient margin in home waters at decisive points, but by making special arrangements for effecting partial mobilization we can, in case of need, outfit and despatch strong squadrons to the aid of any of the colonies whose vital interests are menaced or attacked.

Further on, referring to the maintenance of our supremacy, he said:

> That we can do now, next year and in the years immediately before us. Still, we must recognize that with every new development of the continental navies, with every step in the ceaseless accumulation of the naval strength with which we are confronted, the world-wide mobility of the British navy becomes sensibly restricted and here is the great opportunity for the overseas dominions, those strong young nations which have grown up under the shelter of the British flag and by the stimulus of its protection.

I need not quote at greater length; I believe these words are sufficient to convince any hon. member who will give the subject fair consideration that the policy adopted by the late Government should have been carried out by the Government now in power. I have already shown that

the policy adopted by the present Government has been a detriment to Canada from an industrial point of view. This is greatly to be regretted. But it is even more to be regretted that Canada has been placed in a false light before the British Empire and before the nations composing the British Empire. We have inaugurated a policy which was accepted by hon. gentlemen opposite, and which was eloquently defended by the present Minister of Trade and Commerce in this Parliament, when he declared that our navy, though small in its beginning, could grow, and with its growth could render greater service to Canada, and that the establishment of that navy was an earnest and a proof of the determination of the people of Canada to do their duty to the Empire, as Australia, New Zealand and other nations are doing. But the repeal of the Naval Service Act and the cancelling by the Minister of Marine and Fisheries of the orders for the construction of vessels have resulted in spreading a different opinion of Canada among the nations composing the British Empire. That Canada has been put in a false light before the Empire is shown by the statement of the First Lord of the Admiralty made on the 22nd of July last, when the leader of the Government and the Minister of Marine and Fisheries were present. That statement only shows the effect of this policy of procrastination entered upon by the present Government. It shows that this policy has given the impression that only then, on the 22nd of July, was Canada beginning to think of her duty to the Empire. But we know that, two years before, our resolution had been unanimously passed in this House and would have been acted upon effectively had not the Canadian people, in a moment of error, withdrawn their confidence from the Government that was carrying that policy into effect. The First Lord of the Admiralty, on the occasion to which I have referred, said:

> It is our duty to acknowledge the important aid already given. The progress of the Australian fleet units is continuous, and as it develops it facilitates the new fleet organization by releasing the numbers of men whom we have hitherto maintained in those waters for service nearer home. I have already referred to the action of the Government of new Zealand. Now Canada has come forward. We have had repeated conferences at the Admiralty.

Now, Canada has 'come forward.' As though only then, when the present Prime Minister and the Minister of Marine and Fisheries made their visit to Great Britain, had Canada thought of coming forward to the help of the Mother Country. Had the policy which we adopted been carried out, this very day, the Minister of Marine and Fisheries would have been able to tell us that in St. John, or Halifax, or in some of our ports on the Pacific coast, the work of ship-building for the Canadian was effectively going forward. And the reverberating sound of the blacksmiths' hammers on the plates of Canadian steamers would have made a greater and more favourable impression upon the Empire and the world at large than this mere proposed contribution of Canadian money. For this contribution tells the world of nothing except of Canada; it sets forth only an expedient of a divided party.

These hon. gentlemen tell us that their policy is a policy of emergency. When they are asked what is their permanent policy, they tell us: In future years—in twenty-five or fifty years, perhaps,—we may build up a Canadian fleet. Why this long delay? There is no country in the world that can more readily develop a fleet than Canada. We have all the resources necessary for the construction of ships—we have the waterfalls which will provide the economical and convenient power to turn the wheels of the great ship-building industries, and we have great supplies of raw materials. We have also the men needed to build the ships and to man them when built—the engineers, the mechanics, the workmen, the sailors. I regret for the reputation of the Prime Minister himself, that he has given expression to such an opinion of the Canadian people and of Canadian resources as he has given. These gentlemen went to England looking for an emergency.

Mr. BELAND : They did not find it.

Mr. TURGEON : Yes, they found it, but they did not know it when they saw it.

Mr. BELAND : Where was it ?

Mr. TURGEON : On our coasts left unprotected by the withdrawal of the British ships to concentrate the fleet in the North sea. There was the emergency; and I greatly wonder they did not see it.

Mr. BELAND : They went to the wrong place.

Mr. TURGEON : They might easily have gone to the right place, for this emergency is clearly set forth in the memorandum of the Admiralty. Here are the words:

> It has been necessary within the past decade to concentrate the fleet mainly in home waters.
>
> In 1902, there were 160 British vessels on the overseas stations, against 76 to-day.

There was an emergency if these hon. gentlemen had wished to see it. When these hon. gentlemen asked the head of the British Admiralty to give them a statement of the position of the Empire in reference to naval supremacy, this was the condition

of affairs he clearly explained to them. In reference to these overseas dominions the memorandum goes on:

Naval supremacy is of two kinds: general and local. General naval supremacy consists in the power to defeat in battle and drive from the seas the strongest hostile navy or combination of hostile navies wherever they may be found. Local superiority consists in the power to send in good time to, or maintain permanently in some distant theatre forces adequate to defeat the enemy or hold him in check until the main decision has been obtained in the decisive theatre. It is the general naval supremacy of Great Britain which is the primary safeguard of the security and interests of the great dominions of the Crown, and which for all these years has been the deterrent upon any possible designs prejudicial to or inconsiderate of their policy and safety.

The rapid expansion of Canadian sea-borne trade, and the immense value of Canadian cargoes always afloat in British and Canadian bottoms, here require consideration. On the basis of the figures supplied by the Board of Trade to the Imperial Conference of 1911, the annual value of the overseas trade of the Dominion of Canada in 1909-10 was not less than £72,000,000, and the tonnage of Canadian vessels was 718,000 tons, and these proportions have already increased and are still increasing. For the whole of this trade wherever it may be about the distant waters of the world, as well as for the maintenance of her communications, both with Europe and Asia, Canada is dependent, and has always depended upon the Imperial navy, without corresponding contribution or cost.

In this memorandum they state that it had been the duty and the generosity of the British Empire to protect this immense trade of Canada for years, and that Britain had to leave them without protection at the moment, and that trade was increasing very rapidly, as we know it has increased even since the date of the Imperial Conference of 1911. Surely the Prime Minister and the Minister of Marine should have at once established the very navy which we had voted for in 1909-10, which would have been consistent with this as well as with the recommendations in the memorandum of the Admiralty. When I read this quotation from the memorandum does it not recall these words of the Minister of Trade and Commerce, pronounced in 1909:

After all, the basic idea of a naval force is the protection of the commerce of a country. A commerce side by side with its protector, and its protector side by side with the growing commerce of a country flourish best together and are surest helpers of each other.

I cannot understand why this paragraph from the memorandum of the Admiralty, which is so similar in expression and sentiment to the language of the Minister of Trade and Commerce, did not impress itself on the minds of the members of the Cabinet and induce them to at once establish an era of shipbuilding commencing with the $15,000,000 which the present Government refused to vote for the building of these ships. That would have been an illustration to the British Empire of the intelligent devotion of the Canadian people to that Empire.

The Minister of Marine, on his return from across the sea, used language very similar to that of the Admiralty memorandum. He gave us figures to show the huge amount of money spent by Great Britain for the protection of the trade and commerce of Canada. He said:

Certain figures have been obtained, and it has been ascertained that the cost of maintaining the ships on the North American and North Pacific oceans from 1851 to 1901 was about as follows:—

1851-1861	$21,000,000
1861-1871	27,000,000
1871-1881	19,000,00
1881-1891	19,000,000
1891-1901	23,000,000
	$110,000,000

It will be seen from this that the total cost to Great Britain of maintaining ships on the North American and Pacific stations for the protection of Canada and of Canadian trade and commerce during the last half century amounted in round figures to $110,000,000. This does not include any charge whatever for the first cost of the ships and armament, or for the preliminary training or pensions of the men. The British Admiralty also, during this period, maintained two dockyards on Canadian soil: the Halifax dockyard first established in the eighteenth century, at a cost of installation of $800,000 and the Esquimalt dockyard established in 1855, at an original cost of $580,000. The expenditure on the maintenance of these two establishments, during the period from 1850 to 1900, amounted to over $6,000,000.

After giving some further particulars of Great Britain's expenditures, he continues:

Is not the fact that during all these years that Canada has remained under the protecting aegis of the British Crown, we have not been called upon to contribute anything to the cost of the maintenance of that navy—without which our overseas commerce and tonnage would be without protection, and without which Canada could not possibly exist in its present free and independent position under its present form of government,—calculated to bring the blush of shame to the cheek of every loyal Canadian—that reproach is one which will be wiped out by the passage by this House of the Bill which has been submitted by the right hon. the Prime Minister.

A reproach because we nave accepted all that protection from the Imperial Government which has cost that Government so much money, which will in the future cost an even greater amount with the expansion of Canadian trade, and he tells the people of Canada that $35,000,000 is going to wipe out the blot from the record of the Can-

adian people, and will pay our debt to the British Empire for the protection she has given us. As I said the other day, there is no limit to the generosity of our people when their help is required, but when we are told that $35,000,000 will wipe out our debt to the Empire for the protection we have received, while the insult may have been given unwittingly, without intent, I accept it as an insult to the Canadian people. We have been told that it will take fifty years to build a navy. But the hon. the Minister of Trade and Commerce has himself told us that from this date until 1920 the British Empire can keep her position against Germany notwithstanding the increase of armament. If he has that conviction, why did he not say to the people of Canada: Let us hurry up with the building of our navy. We have eight years, and during that time the people of Canada will be able to build the cruisers that were designed by the Navy Bill of 1911; then we can build two or three dreadnoughts in the next eight years, and then Great Britain will have all the assistance necessary for the protection of the Canadian coasts on the Pacific as well as on the Atlantic. When my hon. friend says it will take fifty years to build a navy, I imagine that the people on the Pacific coast are just as sensitive to his expression as the people on the Atlantic coast, because ports can be found on either coast where mighty dockyards and shipyards, large enough to build the greatest ships in the universe, can be established, and where we can find men with patriotism to work in any direction that may be required.

There is the Premier of the province of British Columbia, Sir Richard McBride. He has told us for the last five or six years that it was necessary that Canada should build a fleet unit for the Pacific coast, and I agree with him. It was the intention of the Liberal party to do so as quickly as possible. When Sir Richard McBride returned from Europe a few days ahead of the Prime Minister of Canada, he stated in this very city of Ottawa that we should have a fleet on the Pacific coast in order to protect that coast against any possible eventuality or attack from the Japanese or Chinese. It was agreed in 1911 that Canada and Australia should protect the Pacific zone.

Then it is said that we cannot man a navy. I have heard many strange things in this debate from speakers on the other side of the House, but none which has offended me so much as a Canadian and a Britisher as that statement. They say we cannot find the men necessary to man a navy. Do my hon. friends imagine that everybody would flock to join a navy when there is no employment to be given? Who ever knew of a Canadian industry that was not able to go on for lack of men? Only a few years ago the paper industry was started in Canada, but who has known of that industry running short of labour? When we have started any other industry there has been no lack of ability, and no lack of men. My hon. friend the Minister of Militia knows that in Quebec only a few years ago we established the manufacture of Ross rifles. Will he tell the House and the country that the Ross rifle made in Quebec is not equal to the rifle made in London or Manchester or the United States? I am certain that given sufficient time we could get enough men to man a navy. Our friends on the other side talk of the Niobe and the Rainbow, and say that we could not get men to man these ships, trying to give the impression throughout the country that the young men of Canada are not willing to enlist for the protection of her shores. But, Mr. Speaker, how could you expect our young men to enlist when immediately the Naval Bill was passed it was announced all over the country that if the Conservative party came into power they would repeal that Act and therefore put an end to naval armaments? No young man in Nova Scotia or in New Brunswick will enlist unless he is sure that employment in the navy is to be permanent. He would leave the country and go to the United States and find employment there, rather than waste his time seeking employment in which there is no assurance of permanency. Immediately after that unfortunate day, the 21st of September, 1911, it was stated all over the country that the Navy Act was good as repealed, so that there was no inducement for any young man from the Maritime provinces to seek employment on the Rainbow or Niobe.

Again, it has been said that the Maritime provinces have not supplied as many men as the province of Ontario, but that is only natural when you consider that the population of Ontario is three or four times larger than the population of the Maritime provinces. That fact, however, only tends to show that it is not only from the seaboard that Canada may expect to get men for a navy but from the large cities. In those large centres men who happen to be out of employment would enlist and gradually our navy would be manned. The ships of the British navy are not manned entirely from the seaboard; the men come from London, and from other large cities of the British Isles; and it would be the same in Canada. They would come from Ontario as well as from the other provinces. But in the meantime there is no inducement for any young men to enlist, and those that have the apitude for a naval career have to go to the United States. If you go to the shipyards across the line you will find there many Canadians

from New Brunswick and other provinces working as mechanics and in other capacities. There are some in the navy of the United States itself; some from my own county are serving in the United States navy to-day. Every year half a dozen of them come back home to see their relatives and friends, and they come back as morally sound and as patriotic as when they left the country. From the statistics we gather that there are over 1,000 Canadian-born subjects in the American navy to-day, and only a few days ago it was stated that there were 260 who were still Canadians, not having made application for American citizenship. If Canada established a permanent navy those men would return to Canada and would probably join the Canadian navy. It requires time to build any industry, and the larger it is the more time it requires, and time is needed to build a Canadian navy.

Then hon. gentlemen talk of an emergency threatening the heart of the Empire. But to maintain her vitality the Empire must pay some attention to her legs and arms and toes. It is said that the emergency is threatened by Germany, that Germany is waiting a chance to assail the British Empire in the North sea. But it is my opinion that Germany has a good deal to do yet before she finds herself in a position to undertake that task. Let me read to you again a few words of the First Lord of the Admiralty, Mr. Churchill, from his speech on the 24th or 25th of July last:

> We are spending £45,000,000 ($225,000,000) this year and we are going to spend more next year. We are raising the personnel of the navy to 141,150 by 1913, and to 146,000 in 1914. As regards construction, Germany this year is laying down two new battleships and we four. Next year Germany is laying down one extra and we two. This year Germany is laying down two small cruisers, and we are laying down eight. Germany, in the course of the next eighteen months is laying down twenty-one destroyers, we forty-three. There is no cause for panic or alarm.

There is no cause for panic or alarm, says Mr. Churchill. Hon. gentlemen opposite are bound to make us believe that there is an emergency and that they must have this contribution at once. In the meantime we may judge of the reality of that emergency by the conduct of my right hon. friend the Prime Minister. The emergency has been bottled up from day to day and from month to month, from the time that he left England until he opened the House, from the time that he opened the House until the present and he is still waiting and waiting calmly for the decision of Parliament. If there is an emergency it is one that well accommodates itself to circumstances. There is another authority to sustain my judgment when I say that I cannot see an emergency. I have here a statement of another man in England, in London, at the heart of the political activities of Great Britain, a leader of the Conservative party to-day, the leader at the time that my hon. friend was in England and at the time that Mr. Churchill pronounced these words to which I have just referred. The gentleman of whom I am speaking is Mr. Bonar Law. Here is what he said in a statement on the 25th of July, 1912, the same day as that upon which Mr. Churchill gave expression to his views upon the subject. Mr. Bonar Law said:

> But, in spite of all that has been said, does the country—do the House of Commons, do any of us—believe there is danger and vital danger? I confess that I have the greatest difficulty in believing it myself.

Many a man, like Mr. Bonar Law, has great difficulty in believing in the emergency idea. This deliverance was made on the 25th of July. But they say that Germany is waiting for her chance, that she is only twelve hours from the shores of the British Isles, that she can come with her dreadnoughts in a night, reach the shores of Great Britain, come into her harbours and destroy London, Liverpool, or any other port.

Mr. BELAND: The hon. Postmaster General was frightened when he heard what Mr. Bonar Law had said:

Mr. TURGEON: Yes, my hon. friend the Postmaster General got a sensation when he heard that. Let me tell you what the leader of the Government in Great Britain, Mr. Asquith, said on that same day with reference to Germany and other nations. Speaking in the House of Commons he said:

> Yet, remember what is sometimes forgotten by those criticising our foreign policy, namely, that these powers with which these special relations exist, are powers of various parts of the world and are brought into closer and intimate contact with us in possibilities of friction and possibly of animosity, if our relations were not happily what they are between ourselves and those great powers, with which in Asia and Africa and elsewhere we and our subjects are constantly brought into closer relationship.
>
> The history of the past eight years is a history of mutual understanding, freedom from friction and difficulty, and of growing cordiality. (Cheers.) But when I say that of the powers between whom and ourselves intimate relations exist. I must add that our friendships with them are not in any sense exclusive. (Cheers.) I say deliberately that we have no cause, so far as I know, no occasion for quarrelling with any country in any part of the world.

That was, I presume, the day when my right hon. friend was finding an emergency in London. He was rushing back to Canada to give us the impression of what he had heard and seen in London. But, Mr.

Asquith went further on that same occasion:

Continuing, the Prime Minister said that he viewed without the least suspicion or dissatisfaction and with more than equanimity, the special conversation and interchange of views such, for instance, as between Russia and Germany. Our relations with the great German Empire were relations of amity and good will. Mr. Haldane, the lord chancellor, had paid a visit to Berlin earlier in the year and had entered into conversations and interchanges of views. This had been continued since in a spirit of frankness and friendship on both sides and we have now in London a distinguished diplomatist, whom the German Emperor had sent to our court.

Our friendships were not in any sense exclusive. For more than one reason the greatest of British interests remained that of peace of the world. If, unhappily, as was the case, there was in this country, as elsewhere, a growing and lamentable expenditure upon armaments, both naval and military, there was no power in the world which did not know perfectly well that so far as we were concerned we had no aggressive purpose. We coveted no heritage, we had no inclination or temptation to extend in any way the range of our responsabilities.

But, said Mr. Asquith, in conclusion, those responsibilities are world-wide, and if we are compelled to divert from other purposes more productive, more advantageous to mankind, the sum which we are now spending for the maintenance of our supremacy at sea, I am speaking what everyone in this House knows to be absolutely and literally a fact when I say that that expenditure is regarded by us simply as an insurance, a necessary insurance of which the Government of the country and the House of Commons are, or ought to be, the faithful and vigilant trustees.

That was the position in which Great Britain was on the 25th of July last, when the Prime Minister was just about to leave England. If I were to quote at length figures showing the armaments of England and Germany which, it has been said, might be employed against each other, it would take too much time and I shall therefore dispense with reading them in detail. But, the subject is an important one and I will again ask the indulgence of the House for a few minutes while I present a few suggestive facts in that connection. Mr. Allen Baker, member of the British Parliament while in this country recently made the following statement which appears in the Toronto Globe of November 12, last:

In our mighty pre-dreadnought fleet we have 40 battleships (many of them, as Mr. Asquith said, in the first bloom of youth) against Germany's 20. Ours have a displacement of 584,000 tons to the Germans' 241,000 tons—38 of our 40 have among them 152 twelve-inch guns, while the 20 German ships have no guns larger than eleven-inch ones, and only 40 of them. But besides these first-class pre-dreadnought battleships there is also our fleet or armoured cruisers to be reckoned with——

Cruisers are to be reckoned with by the British Admiralty and by gentlemen who know something of fleets and fleet units in the British Empire.

—we have 35 of them, and Germany has eight; ours displace 416,000 tons, theirs displace 78,000 tons; ours have 470 guns, theirs have 112; 68 of our guns are 9·2, while the Germans have only six over 9-inch, and they are 9·4. So that not only in numbers but also in the calibre of the guns the British sea power is simply overwhelming.

Mr. BURNHAM: With the Canadian navy, such as the hon. gentleman describes and such as he wishes to bring into being, would Canada be permitted to declare war on her own hook?

Mr. TURGEON: Canada has no intention of declaring war, even with the greatest possible navy upon her coast. We are willing to trust the British Empire to declare war, and if she does declare war she can rely upon the people of Canada to assist her in the time of need. Only a short time ago, I think it was during the Christmas holidays, the hon. Postmaster General, whom I do not see in his seat today, spoke in Quebec, saying that he was ascending the steps leading to the great temple from which war is declared. I would ask the Postmaster General to stay that ascension, and I can assure him that if Great Britain is in need, every man and woman in Canada will do their duty by the British Empire. I do not want to see war; I hope war will never come; but I shall do my duty if it does come. As I told my constituents last fall, I do not see why we should regard Germany as the enemy of the British Empire, and I believe it to be bad policy to endeavour to make enemies of nations that are trying to be friendly to us. Germany has her needs as well as the British Empire. She has a population of 65,000,000, increasing by 1,000,000 a year; she has to provide for the support of her population in order to keep body and soul together in these 65,000,000 people. Germany cannot expand her limits; she can only support her people by bringing in raw material to enable them to engage in manufacturing. Germany needs protection in this way. The Minister of Trade and Commerce pointed to the millions of dollars' worth of trade pouring out of the ports of Great Britain, saying that this trade needed protection and that we must concentrate our forces to protect our trade. On the other hand, let me ask him to remember the huge quantities of raw materials that Germany has to get from all parts of the world and bring through the North sea to her ports. Why should

we say that because another nation builds a ship, we must build a ship also? If Britain is to build three dreadnoughts as fast as possible to maintain her superiority against Germany, then of course Germany will build three more dreadnoughts, and the proportion will remain the same. I do not see why Germany should be pointed out to us as a dangerous enemy to England. Let me quote the words of the German Ambassador at the Court of St. James, which are worthy of calm and generous consideration by the people of Great Britain and of Canada. The new German Ambassador arrived in London on the 19th of October last, when the Prime Minister of Canada and his colleagues were talking of an emergency because of the hostility of Germany, and this is what is written:

London, Oct. 19.—The corespondent of the Daily Mail has obtained an interview with Prince Charles Max Lichnowsky, the newly appointed German ambassador to Great Britain. The Prince, in speaking of the much-discussed status of the Anglo-German relations, says: 'I am not going to London with anything in the nature of a programme. I have no policy except to establish the warmest possible mutual relationship between the government and the peoples so as to lay the foundations strong enough to meet any emergency in the spirit of good-will and tolerance.'

The new ambassador said that he did not know whether a hard and fast naval agreement between Great Britain and Germany was practicable, but if it were it would lay the spectre which is chiefly responsible for the Anglo-German tension.

'We do not cherish the slightest desire or intention of disputing Great Britain's mastery of the seas,' said the Prince. 'A supreme fleet is, as the Britons claim, a life and death question with them.' They are supreme now, and no responsible person in Germany dreams of disturbing that pre-eminence, but it must not be forgotten that a powerful fleet is also a vital necessity for us. England must not read hostility into the fact when we now and then lay down a dreadnought.

'Anglo-German relations,' said the Prince in conclusion, 'are beset with difficulties, but they also offer ample oportunities for an agreement.'

Any yet, in view of such language from one of the German princes, the effort of the Prime Minister of Canada and his friends has been to inflame the public mind in Canada against the German Empire. We know that shortly after that there was a meeting of German and English business men held in the city of London at which resolutions were passed urging peace and harmony between these two great European nations.

As making for peace, there is one fact which I wish to mention at the risk of inviting criticism in ths House and outside the House. It is remarkable that during the present debate no hon. gentleman on the other side of the House has referred to the entente cordiale between Great Britain and France as an element in preserving peace, even if there were any idea of hostility on the part of Germany towards Great Britain. If Germany is twelve hours from England and can reach the shores of the British Isles over night, let it be remembered that her ships would have to pass along the coast of France, and that France is ready to-day to give moral and material assistance to the British Empire.

Mr. BELAND: One hour from England.

Mr. TURGEON: One hour from England, and at the very moment these formidable German dreadnoughts would leave a German port, France would be ready to send her dreadnoughts to meet them halfway. Let it be remembered that when some of these belligerent speeches were delivered in this House by gentlemen on the other side, Mr. Poincaré, then Prime Minister of France, had given to the world a declaration of the determination of France to stand by her ally, Great Britain. Mr. Poincaré, the Prime Minister at the time, a few days before the opening of Parliament, made this declaration, which I shall read, and which will be more impressive than any comment I may make upon it. Mr. Poincaré had been accused of trying to evade his responsibility to the British Empire, owing to the fact that he had made an agreement with Germany to endeavour to establish peace in the Balkan states. His friendship towards Germany had been criticised by some people, and he took advantage of the opening of the House to give to France and to the world at large his determination to stand by the entente cordiale with Great Britain and Russia. I will endeavour to translate his remarks as well as I can. Mr. Poincaré said:

We have no intention to change our friendships. The ties which bind us to Russia and to Great Britain are imperishable; they are cemented by political sentiments, political interests, and political probity. Nothing can compromise an entente upon which the European equilibrium depends. . . .

A few weeks after he had pronounced those words, Mr. Poincaré was elevated from the position of Prime Minister of France to the Presidency of France by the votes of the majority of the representatives of the people, under the pressure of public feeling throughout the whole of France. His statement, therefore, is an expression sanctioned by the majority of the French people. And yet we have not heard one hon. gentleman in this House paying France the compliment of saying: 'Well, we can depend on her moral support at least, if we cannot depend on her material support. As my hon. friend from Beauce (Mr. Béland) says, it will not serve their

cause, but it will serve very much the cause of the British Empire. My hon. friends may think that they are giving a great boon to the British people by building three dreadnoughts for them, or paying them $35,000,000, which amounts to the same thing. It is $35,000,000, and no more. In my judgment, they would have been still more generous if they had given the money unconditionally. They are giving it under the condition that Great Britain shall equip and maintain those ships at her own expense. I do not see at all the generosity of hon. members on the other side. The British people will have to do as much as the Canadian people, if the Bill is sanctioned, which I hope it never will be. They will have every year to pay three and a half or four million dollars for the maintenance of those ships. Our hon. friends opposite try to make us believe that this contribution will be received by the British people with an immense amount of gratitude. There are men in Great Britain who do not see any very great generosity in it. As they say, if every other government of the other sister nations were to inflict upon us the support of other dreadnoughts that they might give us, we would be killed by kindness. A London paper of high standing on December 9, commenting on the naval programme, said:

> We are in danger of being killed by kindness.

The British people are receiving this contribution with certain consideration and reflection. When speaking of the generosity of the people of Canada towards the people of Great Britain, the artisans in the factory who have to bear the burden of all these ship armaments, the Minister of Trade and Commerce waxed eloquent in behalf of these poor artisans, who have to pay immense sums of money every year to keep their army and navy going. If my hon. friend had had his own way for the last fifteen years, the products of those artisans would have been taxed by us to the same extent as the products of Germany and the United States. It was due to my hon. friend the leader of the Opposition and to the Liberal party that we were able to increase the value of the products of those people by millions of money every year, by giving to the products which they sold to the people of Canada the benefit of the British preference. That preference would have been much more increased, had it not been for the fatal verdict on the part of the people of Canada on the 21st of September, 1911.

My hon. friend the Minister of Trade and Commerce has expatiated upon the suffering which the British people might endure in the event of war if foodstuffs, cotton, and other necessities of life were stopped on their way to Great Britain. If he had the cotton to supply, he would tell the people of Lancashire to tax the cotton of other countries so as to get from them a higher price for his cotton. That is the sympathy they receive at the hands of the hon. Minister of Trade and Commerce and the other side to-day. The British subject, notwithstanding this great expenditure on armaments, is not standing under a greater burden than the taxpayer of Canada, if we compare our population with the population of the British Isles. Our population is about seven millions against that of forty-five millions in the British Isles. We find that our per capita gross debt to-day amounts to $70.06, for federal purposes alone; the gross debt of the provinces, generally speaking, amounts to another $11.52 per head, making in all about $81 per head of the population of Canada. Nothwithstanding the larger amount of debt in the British Isles, the public debt is a burden of only $72.25 per head; and, as my hon. friend from Beauce has shown, Great Britain, during the last six or seven years, notwithstanding these armaments for which she paid out of her yearly revenue, has reduced her public debt by $370,000,000. And with all this Great Britain had a surplus last year of about $30,000,000. I do not compare the financial condition of the taxpayer of Canada with that of the taxpayer of Great Britain to show that our people cannot afford what is proposed. I say that we must, for the self-respect and dignity of our nation, contribute to the support of our own navy as we maintain our own militia. But when I see so much sympathy shown to the British taxpayer, I must declare that what we do is not done through sympathy but through the impulse of the heart.

I desire to touch upon just one point more—a strong point, for which I ask the special consideration of the House. This question does not present itself to my mind as a question of thirty-five millions of dollars, but as a question of principle. The words of the Prime Minister in introducing this proposal show as clearly as words can show that this contribution is but preliminary, that others must follow, and that the giving of them must involve a change in the constitutional status of Canada. This vote means an impairment of the autonomy of Canada, and it means that we are called upon to vote for it here notwithstanding that the Government has refused to submit the question to the people. I do not speak lightly of the sum of thirty-five millions of dollars. That large sum of money could be used to great advantage in Canada in the improvement of our harbours, in the making of other

public works, and in the development of our commerce. I have already said that in the great exchequer of the British Empire this thirty-five millions of dollars that it is proposed Canada shall contribute will be but a mere drop in the ocean. But small in population as Canada may be, great as may be the need for the development of her immense territory, we still could easily afford thirty-five millions of dollars if this contribution were really of advantage to the Empire and assisted in establishing Canada's place in the Empire. For such a purpose, we must well vote a hundred millions. But I object to this contribution, not for its amount, but because it is voted under conditions which means a retrograde constitutional step, a change in the position by which we were guaranteed autonomy under the Constitution of 1867. That change will be injurious, not to Canada only, but to the British Empire also. Carried to its logical conclusion, such a change must mean the disintegration of the Empire. Against a contribution under such conditions and involving such consequences, I appeal to the true sentiment of Canada. What is the policy of the Liberal party in regard to this question of autonomy? Our great leader, Sir Wilfrid Laurier, has given it in a concrete and limpid sentence:

I want the unity of the Empire in the autonomy of its component parts.

No member of this House was more chagrined than the member for Gloucester, when, the other day, I heard one of our friends on the other side, who is in the secrets of the present Administration, say: 'Autonomy is a word of the past.' Has the principle of autonomy, enshrined and sacred in the Constitution of 1867, become but 'a word of the past?' Is Canada, with its growing population, with its continent-wide expanse, and with resources capable of making it within comparatively few years the greatest nation of the world, to be called upon to declare that it is willing to be a mere province among the nations of the Empire? Such words wound my feelings as a Canadian, and I believe that my sentiments on this subject are shared by Canadians generally. Let me show where we stand, and let me indicate the hard work that my right hon. friend will have before he can establish a policy of such a nature as this which he proposes. The Minister of Justice (Mr. Doherty), if my memory serves me well, stated in Montreal that it would take three or four years more to formulate a permanent policy and Mr. Bonar Law says that it will take all the energy of the believers in that policy to develop it within fifteen or twenty years If this be true, then the Minister of Justice, in order to be consistent, would be obliged to come back to Parliament for another contribution. Or, if we had to wait fifteen or twenty years for the development of this policy, what would become of Canada in that time? To show how necessary great activity would be for the development of that policy of Mr. Bonar Law, even in twenty years, let me cite some authorities. At the last conference in 1911—after Mr. Asquith had spoken against the position now taken by my right hon. friend—Sir Wilfrid Laurier, representing Canada, said:

As to the sentiments which you have expressed a moment ago, perhaps it would be better not to anticipate them, but for my part, I heartily recognize the truth of the principle which you have laid down, that if there is one principle upon which the British Empire can live, and ought to live, it is Imperial unity based upon local autonomy.

There was only one representative of the British Empire at that conference who held the view that we should create a parliament or a council at which the different nations would be represented, and that a policy should be formulated by them. Sir Joseph Ward, the representative of New Zealand, was the only gentleman of the conference to stand by that conviction, and, speaking after him, Mr. Fisher on behalf of Australia said:

You said in your address that the genius of the British race rather than a dispensation of Providence had developed the unity of the peoples of the Empire. I think that is a fine sentiment boldly stated. The other point that impressed me was that greater freedom had led to closer unity. It had done much to assure peace in the world, and might do more to prevent war. That is a great achievement. I hope the limits of such an organization have not yet been reached.

At that conference there were also other representatives of other nations. Newfoundland was represented by Sir Edward Morris, Prime Minister of Newfoundland; and let us not forget that Newfoundland is, in my estimation, a part of Canada, bound to be in a very few years a province of this Dominion, and the great protection of Canada itself, owing to her strategic position; that it is her bounden duty to be within the Dominion of Canada for the greater safety of Canada and the greater utility of the British Empire; and, therefore, when Newfoundland has spoken through the voice of her representative, we must give consideration to what she says. I have heard no reference by hon. gentlemen opposite to what has been said on behalf of Newfoundland. I shall quote in full what Sir Edward Morris says, as he expresses very fully my views as to the future of the sister nations in the British Empire. He said:

Mr. Asquith, I desire to say that I also have listened with the greatest interest to the very interesting and able address of Sir Joseph Ward, and I am in entire sympathy with

the underlying motive or suggestion running through his remarks, but I am quite convinced that the proposal would not in any way effect what he desires. I quite appreciate and agree with the suggestion arising out of your question that the effect of such a council, legislative body, or parliament as is now proposed would be to supersede the functions of the Imperial Government and that the two bodies could not exist together.

The idea, I think, that Sir Joseph Ward has is that some remedy should be proposed in order to give the great dominions that he and his colleagues represent some say in, or some advisory council, or representatives in relation to the larger questions of Imperial Government. It seems to me that the only way that could ever be accomplished would be to have some representation in the Imperial Parliament but that as regards the dealing with large questions like war and treaties and navies that is to remain, at least for a very long while, in the hands of the Imperial Government who are largely responsible and who have to bear the great proportion of the expenditure.

Any scheme of representation, no matter what you may call it—parliament or council —of the overseas dominions, must have so very small a representation that it would be practically of no value. You have in the first place to consider that you have an empire representing something like 500,000,000 of people. We know when you give them a fair representation on that council the overseas dominions, as they are termed, will have a very small say in the matter.

. That is the position to which we would be reduced under the policy proposed by the right hon. the leader of the Government and in connection with which the $35,000,000 is only the opening wedge of what Canada would be morally responsible for. Let me again read for the edification or education of my friends on the other side some words from the Prime Minister of England himself on that occasion. The President, Mr. Asquith, said:

Sir Joseph Ward, in a speech the ability and interest of which we all acknowledge, which must and undoubtedly did represent the expenditure of a great deal of time and thought, has presented us with a concrete proposition, but it is a proposition which not a single representative of any of the other dominions, nor I as representing for the time being the Imperial Government, could possibly assent to. For what does Sir Joseph Ward's proposal come to? I might describe the effect of it without going into details in a couple of sentences. It would impair if not altogether destroy the authority of the Government of the United Kingdom in such grave matters as the conduct of foreign policy, the conclusion of treaties, the declaration of maintenance of peace, or the declaration of war and, indeed, all those relations with foreign imperial government, subject to its responsibility to the Imperial Parliament. That authority cannot be shared, and the coexistence side by side with the Cabinet of the United Kingdom of this proposed body—it does not matter by what name you call it for the moment—clothed with the functions and jurisdiction which Sir Joseph Ward proposed to invest it with, would, in our judgment, be absolutely fatal to our present system of responsible government.

Here are the words of the Prime Minister of the United Kingdom to-day. Has the representative of Australia or the representative of Newfoundland changed his mind? The Prime Minister has said that wherever he has propounded that principle it has been received with great generosity. It may be that it was so received in some quarters, but I am sure he did not at any time impress very much the Prime Minister of Great Britain and his colleagues for I remember reading some of his utterances not long after in which he said that if the dominions want representation in Parliament and if they would present formally their request he would be pleased to give them a hearing, but he did not say he would accede to their request. I might give other authorities from Great Britain, I might quote Mr. Harold Spender, the eminent journalist, who writing on July 30, a few days after the ministers had had their interviews in England, said:

If the dominions were given a statutory voice they would likely possess more power than the House of Commons or the Cabinet.

If Canada is to have a voice, it is clear that the other dominions must also have a similar concession. Any council formed will have to be consulted on all important questions of foreign policy, and if there is any reality in the plan the British Cabinet will necessarily be obliged to accept the advice of the dominions.

In that way, the article proceeds, the supremacy of the Cabinet will certainly be impaired, and so far as the British Cabinet is impaired to that extent, a blow will be struck at the British Parliament from which the Cabinet is drawn.

Would this fundamental change in government make for a peace or war? asks Mr. Spender, and he answers the question by saying:

It is to be feared that it would make for war. The restraint on war is chiefly from the fear of the consequences of war, but as the dominions are far removed from the probable centre of any European war, they would be far less liable to those restraints. It is perfectly natural that Great Britain should rejoice at the willingness of the dominions to help her both in defence and offence, but it was the dream of the earlier school that the British Empire should be a League of Peace.

That is the way in which those propositions are viewed by many great Imperial authorities. I might also give the opinion of the Manchester Guardian, another high authority in England, expressed about the same time. In an editorial that paper said:

The hopes that the colonies will extricate us from our difficulties seem wildly out of proportion to the actual facts. The colonies for a long time to come will do well if they

can make themselves responsible for their own naval defence. Even Canada, which under Premier Borden has gone further than the others, does not expect actually to lighten our burden. Moreover her aid is conditional on serious changes in the Empire's constitution which are full of difficulty and we think of grave inconvenience.

The matter cannot be settled by sentimental impulse. Parliamentary federation is quite out of the question, for the moment and colonial representation could only come by the admission of the colonies to the executive. The result would mean an increased independence of the executive which would aggravate the existing evil of the loss of control of foreign affairs by Parliament.

That surely ought to convince our friends on the other side. But let me also quote the opinion of an hon. gentleman from Australia. If Australia is considered loyal to the Empire when she continues the policy that she adopted in conjunction with that of my right hon. friend the leader of the Opposition, am I, because I belong to the Liberal party and support that policy, to be accused of disloyalty or of seeking to detach Canada from the Empire? Let me read a few words from the speech of the Right Hon. Sir George Reid, delivered in the city of Ottawa. That hon. gentleman represents his country in London, and some of his eloquent words have been cited by my eloquent friend the member for Beauce. But I wish to quote a few of the sentiments which appealed to everyone who heard him, and which ought to convince everyone as to the direction in which the policy of Canada should lie. He said:

We have heard a number of eloquent appeals for some new form of Imperial federation. I would be delighted if some of our statesmen who have this matter so earnestly in their minds would produce even the barest outline of a scheme for carrying this out. It is easy to talk about tying the bonds which unite us more closely together; but if you ask me to submit such a scheme, likely to preserve and promote the harmony of the Empire, I would ask you to go to my friends the Canadian ministers. (Laughter.) If they have some scheme which would do that, I think the whole Empire will acclaim them as benefactors. The onus upon those who wish to make changes is tremendous. The harmony of the Empire as it stands to-day is one of the miracles of human experience. We think it wonderful that majestic bodies in the heavens should revolve round the central sun. Well, that is not more marvellous than the orderly orbits in the political heavens of the various constellations of our Imperial system.

Then he goes on to say:

One of the secrets—not a secret—one of the marvels of the relations between the self-governing dominions and the Mother Country has been this, that as every tie was removed there was more loyalty, more attachment. And there is so much to be done in the Empire, in Canada, in Australia, there is so much to be done in developing the latent strength of these grand communities that we cannot, while we are waiting for the scheme, do better than pursue our present course. Just think of the triumphs of enterprise, of progress and development, making for the strength of the Empire, which Canada is achieving! Just think of the marvellous development in Australia and New Zealand and even South Africa, to say nothing of the majestic Indian Empire. If we will only develop each for ourselves the grandeur of our resources, if we will only make our own people happy and prosperous and well governed, we will, I think, be promoting one of the best possible ways to the health, strength and prosperity of the whole Empire.

These are the words of the representative of Australia in Britain. My hon. friend heard them and other hon. gentlemen on the other side heard them; and yet they come here to-day and try to lead Canada in a direction contrary to the sentiments he expressed. This policy of centralization is adverse to the spirit of the British colonial system, which experience has proved to be superior to any other system of colonization. It is a policy which has made the colonies sister nations, not dependencies or adjuncts, or provinces. It is a policy which has enabled the British Empire to extend her commerce to all the continents of the earth, and on that policy of commercial expansion Providence will smile so long as it is based on the true principles of Christian liberty so eloquently expressed in the case of Canada in 1763, and so eloquently repeated in 1901 in the case of South Africa when the laws, religion and language of the conquered were safeguarded by Britain. It is a policy which has enabled Great Britain to wrestle with the intricacies and complications of European, African and Oriental problems. And yet to-day we are asked to distrust Britain's ability to maintain, without our intervention, her position of supremacy. Let us follow her policy and condemn the policy that is advocated by our friends on the other side, and if some day England has to declare war, let us stand by the Motherland no matter what the consequences may be.

I do not oppose the policy of the Government on account of this $35,000,000, but because it might stay the progress of our country in the path which she should follow. I would like to see the Postmaster General here to-day, and if he were here, I would say to him, as I say to every hon. gentleman present, let us not divert Canada from the path of progress outlined by the hand of Providence and upon which she set out again in 1867 when men of all political proclivities, forgot their differences and mingled their patriotism for the good of their common country, as Sir John Macdonald conceding his ambition for a legislative union and George Brown relinquishing his

opposition to separate schools in order to bring the people of divergent races together under a constitution which would be the basis of Canada's future grandeur and prosperity. I feel, not as a Liberal, but as a representative of the Canadian people, that it is my duty to put every possible obstacle in the way of the voting of this money, and I take that position in order to protect Canada from the danger which I see ahead. Let us go back to the spirit which animated every member of this House on the 29th of March, 1909, let us go back to the construction of a Canadian navy for the protection of our coasts and the assistance of England, let us go back to that policy together and let us now lay aside all party politics as we did upon that day. Let us be Canadians, and let us be Britishers as well. If some misfortune should in the future threaten to change the aspect of the British nation let us hold ourselves in readiness to defend the Empire, but in the meantime, let us act at once vigorously and patriotically and let us take the steps which are recommended by every Imperial authority in England. I am sorry, Mr. Speaker, that I have kept you so long; I thank you very much for your generosity. I think it would be a misfortune were we to have a change in the presidency of this House and I do not believe such a change would occur even if we were to have a change of constitution. I maintain that every possible effort must be put forth to dissuade Canada from entering upon a policy which I consider would be disastrous to her best interests.

Mr. LEVI THOMSON (Qu'Appelle): Mr. Speaker, we heard some days ago about an epidemic of dumbness that had struck hon. members on the other side of this House. There seems to be a second epidemic of dumbness. I do not know that I can explain all the reasons, but I think I can give one reason for it. We have heard able and well prepared speeches by hon. members on this side of the House against the proposal of the Government and no reply has been made to them. There may be many reasons why we have had no reply, but I believe that one reason will be found to be some remarks made by my hon. friend from Beauce (Mr. Beland) in his speech the other day. You will remember that, when the question came up in the debate here as to the dates of the coming into force of the new German Naval Law and the dates of certain speeches delivered by the First Lord of the Admiralty, some very bold statements were made by hon. gentlemen opposite as to these dates. My hon. friend from Beauce showed conclusively that these dates were wrong and that those who are fixing these dates are misleading the people of Canada. I do not say that they are deliberately misleading them, but we have the right to assume that hon. gentlemen opposite are sufficiently well acquainted with such things as to justify us in believing that they are deliberately misleading the people. The desirability of the removal of this question of naval defence from the arena of contentious politics has been asserted frequently here. I quite agree that it is desirable. Unfortunately, however, our opponents have thrown this question into the political field. They have made it a political football. The central idea of the joint resolution of 1909, as you all know, was the speedy organizing of a Canadian naval service. There were other details about it but that was the central idea and in that idea all parties united. That was a common platform. Our hon. friends have seen fit to desert that platform. I am not going to criticise their action; that is their right.

I wish to say a few words with regard to the proposal of the Government. We are told that the permanent policy of the Government is still undisclosed, but I think we have heard sufficient from the speeches of hon. gentlemen who have spoken in support of the resolution and from speeches delivered by the right hon. Prime Minister and his associates in 1910, to disclose the general principles upon which that policy is to be based. The general principles are that we are not to have what was originally agreed upon, that is the speedy organization of a Canadian naval service, but instead we are to have a Canadian unit of the Imperial navy. This navy is not to be controlled by this Parliament, not to be controlled by the Government of Canada, but it is to be controlled by the Imperial authorities. It is not to be stationed in Canadian waters, it is to be stationed upon the North Sea, and, above all things, it is not to be manned by Canadians. This, I think you will agree, is not a Canadian navy. It will be in no sense a Canadian navy except in the sense that the people of Canada are paying for it. As far as this policy has been disclosed I think the permanent policy, of which our friends spoke, is quite as much a policy of contribution as the temporary expedient which we are discussing here. It is a contribution of ships in each case. The main difference that I can see between these two contributions is the string that is attached to the contribution in each case.

In support of the policy of the Government it is claimed that a need has arisen. It used to be an emergency, but the emergency refuses to emerge and our friends now prefer the word 'need.' I am willing to accept that term. We are told that a

need has arisen and that it will be met by the proposed contribution. The first minister, in a very indirect way, suggests that the naval supremacy of the Empire seems on the point of being successfully challenged. The hon. member for Montreal, St. Antoine (Mr. Ames), in the same indirect way, compares the condition of the British Empire with that of a burning building—not a very pleasant comparison. My hon. friend from Brandon (Mr. Aikins), with his usual ornate phraseology, speaks of the Empire as being surrounded by clouds and darkness, and he graphically pictures Young Canada rushing in with her contribution to dispel that darkness. My hon. friend the Minister of Trade and Commerce (Mr. Foster), believes that there is a need that can only be met by a contribution and he suggests that a refusal at the present time might end in disaster and destruction. These are gloomy suggestions, but they are merely suggestions, and they are flatly contradicted by the first Lord of the Admiralty on his naval estimates. Some quotations have already been made from this speech, but I shall take the liberty of citing from it briefly. The First Lord says:

I should like to make it clear that as a result of the measures taken by my right hon. friend the Home Secretary, there is no cause whatever for alarm or despondency. The Admiralty are prepared to guarantee absolutely the main security of the country and of the Empire, day by day for the next few years, and if the House will grant us what we ask for the future, that prospect may be indefinitely extended.

Nothing very dismal about that. Further on, he says:

Lastly, the House is entitled to be relieved of any anxiety which they feel in regard to the expansive power of the ship-building resources of the country. It is not possible to say whether our most prominent competitors can build as fast as we do. What is certain is that they do not in practice do so, and it is also true, I am pleased to say, that we can build, arm, and equip great ships each year—and continue the process year after year—upon a scale largely in advance of any other single power in the world, according to its present resources. The House may take it for certain, therefore, that there is absolutely no danger of our being overtaken unless we decide as a matter of policy to be so.

In the same speech he says:

I am glad to be able to assure the House that no difficulty will be experienced in making arrangements to maintain our relative positons n the near future, and to secure as quickly as we need them adequate margins of safety. I am glad also that these measures will not involve any excessive or disproportionate expense.

It seems to me that these words of the First Lord should be sufficient to dispel the gloom of hon. gentlemen opposite but should they require anything more, I would like to refer them to a statement placed in 'Hansard' by the hon. member for Vancouver (Mr. Stevens). That hon. gentleman presented a statement showing the relative naval strength of the different great nations of the world, and I find from that statement that Great Britain has more armoured battleships than any other two nations in Europe; that she has more cruisers than any other four nations in the world, and that she has more men in her navy than any other two nations in the world. To put it in another way, according to the speech of the hon. member, Great Britain has more than double the number of armoured battleships, more than double the number of cruisers, and more than double the number of men employed in her navy, than have any other nation in Europe. That should also help to dispel the gloom of hon. gentlemen opposite.

If they want any further evidence to dispel their gloom, I think they can find it in the financial position of Great Britain to-day. We know that Great Britain is annually wiping large sums off her indebtedness, while her great rivals are yearly sinking more deeply into debt. What does that mean? Surely that should convince us all that there is at least no financial need in Great Britain, and that there is no need of further ships than those which the British Admiralty is able to provide. We must remember that the need of money to build ships is the only need which our friends on the Government side of the House propose to supply, yet all the evidence goes to show that Great Britain is financially strong and able to cope with all her necessities from a money point of view.

While there is no other need than the need of money which the policy of the Government supplies, and that need does not exist, yet it does not necessarily follow that there are not other needs which might be provided for. The most important of the needs disclosed by the material before us, is the need of the vessels for the overseas stations of the Empire. That need is shown, as we have been told, by the memorandum of the Admiralty, and the Prime Minister himself appears to be so satisfied about it that he referred to it in his speech over and over again, though it seems to me he has adopted rather a peculiar way of providing for it. I submit that the policy of the Right Hon. Sir Wilfrid Laurier and the Liberal party will supply that need so far as Canada is reasonably able to, and certainly the intention of that policy is to supply that need. On the other hand, the policy of the Government, if we can

call it a policy, makes no pretense of supplying that need, and even the permanent policy of the Government, so far as it is disclosed, does not tend to attain that result. Not only that, but no less an authority than the Minister of Trade and Commerce has told us that to supply that need would be utterly useless. He dwelt at great length on the uselessness of placing warships on the overseas stations, but it seems strange that if it is so utterly useless to place warships on the overseas stations, Great Britain should still maintain seventy-six such vessels and deplores the fact that she is not able to maintain more.

We are told that if we place a fleet unit on the Pacific or on the Atlantic, that this unit would not be able to cope with the navy of any ordinary power. Quite true, but is that a reason why the ships should not be placed there? If so, it is equally potent as a reason why Great Britain should withdraw her ships from outside stations, because they are scattered all over—except in the case of Canada, where they are gone entirely—here, there and everywhere, and there is not a single place, outside of the North sea, where these ships are sufficiently numerous to meet the onslaught of any ordinary hostile fleet. It is quite plain that Great Britain sees some use for those ships on outside stations, even though they are not so numerous as she would wish them to be. We can understand that in case of necessity these ships would be prepared to meet certain emergencies, and that in a general attack by a large fleet they would form the nucleus around which would gather vessels from all parts of the world. If our friends on the other side of the House are right in saying that these ships are useless in outside stations, then the British Admiralty is entirely wrong in maintaining them. Either our hon. friends opposite are mistaken or Great Britain is mistaken and badly mistaken in that policy.

My hon. friend (Mr. Turgeon) was not so frightened of the German scare as some gentlemen opposite profess to be, and neither am I. I do not believe that the people of this country are convinced that there is any real danger from Germany, or that an attack from Germany is even the most probable attack on Great Britain. I would like to know if my hon. friends from British Columbia really acquiesce in that doctrine. Do they really think there is no need whatever for vessels on the Pacific coast; do they think there is no possible danger except the danger of attack from Germany? The hon. member for Beauce (Mr. Beland) has given us figures to show not only the relative strength of Great Britain and Germany, but also of Great Britain and her friends on the one side and Germany and her allies on the other, and the figures given by him prove conclusively that it would be utterly unsafe for Germany and her allies to attack Great Britain and her allies on sea. If Germany within the next ten or twelve years is to attack Great Britain, she will not rely entirely on herself and her European allies. We know that some little flirtations have been going on between Japan and Germany. We are told that Japan is an ally of Great Britain; that is true, but we must remember that the allies of to-day are sometimes the enemies of to-morrow. We have professions of friendship from the people of Germany and also from the people of Japan. I have had some experience with Germans individually; and I find that a German is a man on whose word I can rely, on whose profession of friendship I can rely. I should like to ask my hon. friends from British Columbia if they can stand up in this House and say the same of the Japanese.

Mr. MACDONALD: They will not answer.

Mr. THOMSON (Qu'Appelle): Would they like to see an invasion of a hundred thousand Japanese into British Columbia? What a panic there would be! On the other hand, if a hundred thousand Germans were to come in, there would be a boom in British Columbia at once. Every hon. member in this House from British Columbia would be delighted at such a prospect. It would mean the greatest era of development that British Columbia has ever had. My hon. friends from British Columbia know that those Germans would become first-class Canadian citizens, and that they would easily assimilate. Can we say the same of the Japanese? To my mind there is more danger of an attack from some of the Asiatic powers than there is from any European power. If that attack comes, where will it come? It may come in India; it may come in Australia; it may come in New Zealand; is it not just possible that it might come in British Columbia? What would that mean? My hon. friend says that we must not put war vessels there, that it would lead to a separation if we put them there. I think it is more probable that it would lead to a separation if we do not put them there.

I wish to refer now to a second need, possibly not so important but still of some importance, that is the need of facilities for building navies and equipping ships in the overseas dominions. The Opposition policy would supply that need so far as we are reasonably able to do so. The proposal of the Government entirely ignores that need. It is quite true that Great Britain, recognizing that this Government ignores that need, proposes to step in herself and to a certain extent supply that

need. Is it creditable to Canada, because Canada refuses to do her duty in supplying a need, which is an Imperial and also a Canadian need, that Great Britain has to step in and perform that duty herself? I do not think that it is to the credit of Canada or to the credit of the present Government; I think it is very much to their discredit.

Another need is disclosed in the memorandum before us, that is the need of men. I might call that a prospective need. The hon. member for Brandon (Mr. Aikins) referred to that need in his speech, although he did not say very much about it. Quotations, which have been given here from the speeches of Imperial statesmen in connection with the new German naval law, refer to this as a need arising from that law; that the only new need shown to arise from the new German naval law is the need of men. The Germans are not going to have as many ships, but they are going to have them better manned; from that springs up a need of men. I noticed a number of pamphlets in the House which had been sent out by our jingo friends, one pamphlet in fiery colours which dwelt on the terrible position of Great Britain at the present time. I should not like to quote that as an authority, because, if it were, we might as well give up all hope for the British Empire at once. There might however, be some truth in its statements. I notice one statement showing that with the German reserve, the men in reserve trained by Germany, she has as many or almost as many seamen as Great Britain has. We must also remember that Great Britain has a very much smaller population than some of her neighbours have; and that while she is quite able to man all the war vessels she has at the present time, the time may come with the rapid increase of war vessels when it may be somewhat difficult for her to do so, and it may be necessary for the overseas dominions to assist her in this particular. There is the prospective need. The Opposition policy proposes to supply that need; the Government policy does not propose to supply that need; in fact speakers on the Government side of the House are vigorously opposed to any attempt being made to do so.

I have said that Great Britain is not in financial need. Let us suppose for a moment, for the sake of argument that Great Britain is in financial need, what then will be the effect of the present contribution? Will that be an adequate supply of the British need? We are told that the yearly income of the people of Great Britain is in round numbers $10,000,000,000. Will a contribution of $35,000,000 dollars to such a people be an adequate supply of their need, if they are really in financial need? It will be equivalent to a gift of $3.50 to a man who has a yearly income of $1,000 a year, or as the Postmaster General would put it, a gift of 17½ cents a year. Would that be anything more than the proverbial drop in the bucket?

We are told that we are indebted to Great Britain by reason of her naval and military protection of the provinces which now constitute Canada. The first minister in his speech the other day estimated the sum spent in this way during the nineteenth century at $400,000,000. As I understood him, that did not include interest, it was merely principal. The inference is that we are indebted to the Mother Country by reason of this protection. If we are morally indebted for the payment of the principal, then we are also under a moral obligation to pay reasonable interest thereon. Some of this interest has been outstanding for a century and we all know how interest accumulates. If we add interest to that principal, the amount will be very much in excess of a billion dollars. Let us put it however at $1,000,000,000. The Minister of Marine and Fisheries (Mr. Hazen) in referring to this fact, asked if it is not calculated to bring the blush of shame to the cheek of every loyal Canadian. He cheerfully adds that the reproach is one which will be wiped out by the passage of this Bill. Is not that a very convenient way of wiping out our debts? If we could do that personally, I think we should very rapidly be relieved of our debts. The debts of some of us need not worry us long if we could pay these debts with three and a half cents on the dollar. And that is what the Minister of Marine and Fisheries suggests—we are to pay our debts to the Mother Country at three and a half cents on the dollar. And, more than that, we are to attach a string to that three and a half cents, so that we can pull it back if we repent our spasm of honesty. If we were really indebted in that amount of money, we should pay our debts like men; not compromise like a bankrupt. Canada is not a bankrupt country, and has no right to claim the privilege of a bankrupt. Such a suggestion, as I have indicated, coming from a minister of the Crown is sufficient to bring the blush of shame to the cheek of any honest Canadian—and I see no good reason why a loyal Canadian should not be also reasonably honest.

I shall vote against this proposition, first for the reason that, while it calls for an expenditure of about five dollars for every man, woman and child in Canada, it supplies no existing need. Another reason for voting against this proposition, one that has been referred to already, is that it is a backward step in our work of self development. 'Autonomy' is a word that we have often heard used in this connection. I prefer the words 'self-government and self-development.' But this is no new struggle.

It is the same old struggle between centralization and self-development that has gone on so long. That struggle reached its most acute stage in Canada about three-quarters of a century ago. At that time the parties to the struggle were the old family compact and their supporters and retainers on the one side, and on the other the more intelligent and progressive of the early settlers of Canada who were seeking to hew out for themselves a home in this new country —the great common people of that day. The Family Compact were the jingoes and the ultra-loyalists of that day, as our hon. friends on the other side are the jingoes and ultra-loyalists of to-day. The struggle of that day was different in some particulars from the struggle of to-day, but the great question was the same —centralization against self-development.

There was one thing I noticed in one of the speeches delivered on this subject on the other side of the House, that of the hon. member for St. Antoine (Mr. Ames). I think that hon. gentleman is one of the greatest champions of centralization in this country, and an ultra-imperialist of the ultra-imperialists. Yet I noticed that in his speech the other day he paid a high tribute to our predecessors of the last century, those who were engaged in the great fight for the right of developing and governing their country and themselves. But, while he paid a high tribute to these men, he had no word to say for his own predecessors, the men who were struggling on the same side as that on which he struggles now. Some men are very wise after the fact. Some men are very far-sighted; they can see things at a long distance, but they cannot see things that are near at hand. Apparently, that is the way with the hon. gentleman. He can see clearly the actual state of affairs three quarters of a century ago, but he cannot see what is happening to-day; he does not understand it; it is past his comprehension. He apparently recognizes in the hardy pioneers of the last century better Empire builders than his ultra-loyal predecessors. As I have already said, this is no new struggle in Canada. History has been repeating itself, and I predict that it will repeat itself again. The struggle that went on in the 19th century is going on to-day in the 20th century, and I have no doubt it will go on in the 21st century. The struggle that is to come in the next century will be different in its details, no doubt, but it will be the same in principle—the struggle between centralization and self-development. And I have no doubt that in that day the jingoes and ultra-imperialists will point to what is taking place to-day and will pay all honour to those who to-day are fighting the fight for the right of developing and governing ourselves. But they will have no more words of praise for their own predecessors who sit on the opposite side of this House to-day than the hon. member for St. Antoine has for his jingo and imperialist predecessors of the 19th century.

I believe that if ever the British Empire is destroyed the destruction will be caused by the ultra-loyalists, the extremists, the jingoes. I do not believe that the jingoes and ultra-loyalists of any day will ever do anything to strengthen and build up an Empire. I believe that the way to strengthen and build up the Empire is to make stronger our position as part of that Empire. That is a question that should engage our best attention. I believe that our friends opposite are sincere—or many of them are—in believing that the Empire is to be strengthened by centralization. But I do not believe in that principle, and cannot support them. I do not believe that an Empire widely distributed over the world has ever been strengthened in that way. The old plan of dealing with colonies and with subjects at a distance, was the plan of force, the plan of binding these colonies tightly together and tightly to the mother country. That has in every case been unsuccessful. The Roman Empire was unsuccessful in it; Spain was unsuccessful in it; and Great Britain was unsuccessful in that policy and succeeded only when she changed. We talk of Great Britain as a great colonizing country. When did she become a successful colonizing country? It was after she had adopted a policy directly opposite of that which hon. gentlemen opposite contend for to-day. When she dropped the policy of centralization, she became a successful colonizing power. I wish I could put this in the words in which I would like to place it before the House. I feel my inability to express what I wish the House to understand. I believe there is just one way to bind this Dominion or any of the other overseas dominions closely to the Empire and in such a way that the bonds will never be severed. It is impossible to keep the Empire united by binding closely the overseas dominions to the Mother Country. The tighter you make the bonds, the more likely they are to break, and the less tightly you bind them, the more—though that will seem a curious way to put it—the more closely you bind the parts of the Empire together. Colonial history is false, if that is not true. That is true, or else colonial history is false. The only way to bind our dominions safely and securely to the British Empire in such a way that there will be no danger of severance is for us to do our work of developing ourselves, developing our own defence, developing our country, in every way. I know that there are many gentlemen, not only in this House, but in the Empire in many parts, unfortunately there

are men of influence in the Mother Country who take a different view, that is quite plain. There are some people who will not learn the facts of history, who will shut their eyes to actual facts and to things that have passed. There will always be those who believe in binding the dominions tightly to the Mother Country so that they cannot in any way be cut off. That policy is a terrible mistake, the most serious mistake that can possibly be made in connection with colonial government.

We have heard some complaints about the action of the farmers of Manitoba in certain resolutions which they have passed. I do not entirely concur in those resolutions, but I wish to say a word in favour of the position of the western farmers. The spirit of the West is entirely different from the spirit displayed by the hon. member for Brantford (Mr. Cockshutt) the other night when he pronounced his eulogy on the spirit of war. The hon. member for Brantford is evidently convinced that the doctrine laid down in the parable of the Good Samaritan, is now rank heresy. The spirit of the West is entirely different, the western farmer believes in the doctrine laid down in the parable, that they are good doctrines to-day, that they are sound doctrines, that if they are properly applied they will always be successful. That is the spirit of the West, the spirit that was shown in that parable. I do not think that the western farmer will quite agree with a great many things said by the Minister of Trade and Commerce, particularly in that portion of his speech where he represents the German Chancellor as saying: We (that is the German people) are making fleets, forging the blood and he brains and the bones, into machinery for war, and for what object? For war with a country that has no designs upon us, in order that we catch her unaware and overpower her. These are the words of the Minister of Trade and Commerce. Let me quote in opposition to that an extract from a speech delivered by the late German Chancellor a few days ago:

> What would a nation gain to-day if it overthrew one of its maritime rivals? It would perhaps destroy the economic organization of its adversary, but it would, undoubtedly, at the same time inflict the gravest damage upon its own commerce. It would be doing the work of those others who would gladly take the vacant places in the markets of the world, and comfortably establish themselves there. The evil consequences would be permanent. . . . I cannot conceive that the idea of an Anglo-German war should be seriously entertained by sensible people in either country.

If that spirit is entertained by people in both countries there would be no danger of war but evidently the German Chancellor believed that if those who looked for war were sensible they were not serious and if they were serious they were not sensible and I think I can quite agree with him.

> They will coolly consider the enormous damage which even the most successful war of this character would work upon their own country, and when they reckon it out it will be found that the stake is much too high in view of the certain loss. For this reason, gentlemen, I, for my part, do not take the hostility of a section of the English press too tragically.

I am glad he has said that and given an indication of how the German people feel on that question because we may hope that the German people, reading the speech of the Minister of Trade and Commerce will not take it too tragically.

I shall read an extract from the speech of Mr. Balfour on the 22nd of July last. He said:

> My hope is based upon the fact that a modern war especially an all embracing war . . . . would not merely be so frightfully destructive of accumulated wealth and of human life, but would so profoundly disorganize the industries on which, in increasing measure, every great civilized country is now, more and more, dependent, that even the most reckless statesman, when he sees it before him, will shrink back horrified at the prospect.

Some of our friends do not shrink back, especially the Minister of Trade and Commerce, who is not afraid of conflict—but I do not think he ever expects to see it come to pass and that is the reason he is not horrified.

We have heard it said that the best way to ensure peace is to prepare for war and I grant that to a certain extent this is correct. There is a certain amount of truth in it, but we are apt to let these things carry us too far. I do not think the westerner is generally very much impressed with that, he has had some personal experience and knowledge of that matter. He knows that in some communities in the West people went out with the idea in their mind that the way to preserve their peace was to prepare for war, they felt that if they armed themselves to the teeth, if they were prepared for a fight, they would be able to avoid getting into fights. Others of us went out with the opposite idea, with the idea that we would go to this new country unarmed, ready to do our work in that country, expecting no trouble, looking for no trouble, and what was the result? History tells us the result. In the places where people went out prepared for war they found war; when they went out thoroughly prepared to defend themselves they had to defend themselves. Those of us who went in a different spirit had no

occasion to defend ourselves, we found the people peaceable and quiet and found no trouble. We were not looking for fights and did not get them. That is the other side of the question and I think that although the other side is so often presented to us we should pay some attention to this side.

It is nearly half a century since any two really civilized nations of Europe have engaged in war with each other. This has been prevented, I think, by certain restraining influences, and I believe these influences will have more effect in suppressing war in the future. I have every hope that the world will never see any such contest again. We have heard of the restraining influence of the knowledge of the horrors of war, even to the victor. That was certainly a strong restraining influence but I do not admit that was the only restraining influence which there will be. I claim that modern Christianity and morality will have a restraining influence. I claim that the modern sense of righteousness, justice and fair play will have a restraining influence. I believe that those things will largely prevent the possibility of any such occurrence. Now, in closing, I wish to return to the desirability of removing this question from the arena of contentious politics. Some suggestions have been made from this side of the House looking to that end.

At six o'clock, House took recess.

After Recess.

PRIVATE BILLS.

PATENT OF GEORGE FREDERICK BISHOPRICK.

House again in Committee on Bill No. 8, respecting a patent of George Frederick Bishoprick.—Mr. Macdonell.

Mr. OLIVER: Will the hon. gentleman give the Committee an explanation of the Bill?

Mr. MACDONELL: George Frederick Bishoprick has a patent, issued six years ago, for some mechanical device in the way of cardboard asphalt, this being a material out of which to make boxes. He commenced to manufacture the invention in Toronto four or five years ago, but failed. Then he went to manufacture it in Alma, Michigan, under the American patent. The same misfortune overtook him there, he returned to Canada and he is now commencing to manufacture in the city of Ottawa. Through an inadvertence, and while travelling abroad and in the United States, he did not receive notice to pay his renewal fee. He was two months late in paying the fee and now he asks that the patent be validated. The Bill came before the Committee, the promoters were represented and read affidavits which were such as to satisfy the Committee, nobody objected to the Bill and he, being only two months late in paying his dues through an inadvertence, the Committee took no exception to the Bill, particularly as, by clause 2 of the Bill, any persons who may have acquired rights to manufacture during the period that the patent had elapsed, have been fully protected. The Bill is of a kind that frequently goes through the House and it is the least objectionable Bill of the kind that I have seen go through.

Mr. McKENZIE: What is the length of time during which the patent is valid?

Mr. MACDONELL: It can be renewed for two periods of six years, which would give a total duration of eighteen years. Six years have expired.

Mr. OLIVER: Twelve years would be the extreme limit?

Mr. MACDONELL: Twelve years additional to the six years which have already expired will comprise the full life of the patent which is eighteen years under the Patent Act.

Bill reported, read the third time, and passed.

CANADIAN EXPLOSIVES, LIMITED.

House again in Committee on Bill No. 9, respecting Canadian Explosives, Limited.—Mr. Ames.

Mr. BLAIN: My hon. friend from St. Antoine (Mr. Ames) wishes this Bill to stand.

Mr. PUGSLEY: I would suggest that an examination be made of the provisions of the English statute bearing upon the issue of share warrants with a view to having similar provision placed in this Bill with all requisite safeguards. My hon. friend the Minister of Finance (Mr. White) was speaking to me to-day on the subject, and he told me that there is such a provision in the English statutes. I think that whatever safeguards are put in the English statutes ought to be put in this special Bill, as there is no general provision in the law of Canada bearing on the subject.

Mr. BLAIN: I will direct the attention of the hon. gentleman (Mr. Ames) to the remarks of my hon. friend.

Progress reported.

RICHELIEU AND ONTARIO NAVIGATION COMPANY.

House again in Committee on Bill No. 20, respecting the Richelieu and Ontario Navigation Company.—Mr. Lesperance.

Mr. OLIVER: What is the object of the Bill?

Mr. LESPERANCE: The object of the Bill is to increase the capital of the company from $10,000,000 to $15,000,000 for the requirements of the company.

Mr. OLIVER: What are these requirements?

Mr. LESPERANCE: The capital of $10,000,000 has been exhausted, and new capital is required for new boats and increased terminal facilities.

Mr. OLIVER: I do not see anything in this Bill to limit the application of the capital to purposes as are mentioned.

Mr. LESPERANCE: Sub-section 2 of section 1 provides that:

> The directors may increase the amount of the capital stock at any time to an amount not exceeding fifteen million dollars; but the stock shall not be increased until the resolution of the board of directors authorizing such increase has first been submitted to and confirmed by two-thirds in value of the shareholders present or represented at a special general meeting of the shareholders duly called for that purpose.

The company wants this capital to take care of increasing traffic.

Mr. OLIVER: I have seen a great deal in the newspapers with regard to the proposed increase of the capital stock of the Canadian Pacific Railway Company. Very strong objection has been taken to that proposed increase by some hon. gentlemen in this House. There may be similar objections to this proposed increase in the capital stock of the Richelieu and Ontario Navigation Company. I think that a little more definite statement on behalf of the company would certainly be in order before giving assent to a proposal to increase the capital by one-half. It should be made clear to the Committee that this increase is required by the legitimate development of the company and not for other purposes.

Mr. LESPERANCE: If my hon. friend will read clause 1 of the Bill he will see that it is not intended to increase the capital beyond what is absolutely required by the necessities of the company, such increase to be sanctioned by two-thirds of the shareholders present. I do not think that the shareholders would sanction an increase in the capital stock unless it was in the interest of the company to do so. The company have taken over the Northern Navigation Company, the Inland Company, and the Niagara Lines and they want new terminals at Fort William and new boats. They must have new capital for that purpose and the new capital will be issued only as actually required by the business of the company.

Mr. OLIVER: Is any of this increased capital required to pay for the lines which have been purchased?

Mr. LESPERANCE: No, it is simply to take care of the expanding business of the company. The traffic on the great lakes is increasing by leaps and bounds and the company wants to take care of the traffic. Unless they get the capital necessary to do that I do not see how they can cope with the business.

Mr. OLIVER: There is no objection to allowing the company to increase its capital for the purpose of expanding its legitimate business, but the question having been raised so very publicly in regard to another great transportation enterprise, I thought it was only fair to question this particular enterprise in the same connection. Is it proposed that there shall be any restriction with regard to the price at which these shares shall be disposed of? That is a point that has been raised very generally in the public mind in connection with the proposed increase in the capital stock of the Canadian Pacific railway. I suppose it is just as right and proper that it should be raised in connection with an increase in the capital of this transportation company.

Mr. LESPERANCE: The last issue of capital stock by the Richelieu and Ontario Navigation Company was at par. The stock was selling in the market then at about 117. That is a very slight premium for the shareholders. I do not know what the condition of the market may be at the time the company may want to issue this new stock, but at the present time, there is no intention to issue that stock below par.

Mr. OLIVER: What are the shares of the company standing at now?

Mr. LESPERANCE: At 117.

Mr. NESBITT: What do they propose to do with the additional capital?

Mr. LESPERANCE: Provide boats and terminals to take care of the increased business of the company.

Mr. NESBITT: Are you quite sure they do not require it for the purpose of buying up the other navigation companies?

Mr. LESPERANCE: I am positive they do not. That has already been taken care of.

Mr. McKENZIE: I presume the powers of this company are defined in the original Act and I do not understand why these further and indefinite powers are taken in the second section of this Bill.

Mr. LESPERANCE: That was amended in committee.

Mr. NESBITT: I do not see much difference between the original and the amendment. I protest against two-thirds of the value of the shares held by shareholders present at a meeting being sufficient to enable the directors to carry out any scheme; I have always held that the consent of two-thirds of the total shares should be necessary for that.

Mr. LESPERANCE: The representative of the company accepted whatever suggestions for amendment were made in the committee, and the Bill as now before us was unanimously adopted by that committee. The Richelieu and Ontario Navigation Company is one of the oldest companies in Canada and its affairs have always been well managed. They have used up all their capital in legitimate enterprises and now they ask power to issue additional capital to take care of the increased business of the country, I do not think anyone can reasonably object to that. As to the employment of the idle capital hon. gentlemen opposite know that during the winter season the boats are idle and if the company has any capital on hand then it would be in its interest to invest it to the best possible advantage. If at the close of navigation the company has on hand some money, why should it not have the opportunity to use it to the best possible advantage by lending it out on call loans or otherwise temporarily?

Mr. NESBITT: If the company promoting the Bill were as explicit as my hon. friend in telling us what they wanted to do with the capital, there might be no objection. If their capital is invested in their ships, how can they take it out of the ships and reinvest it again in the winter?

Mr. LESPERANCE: What I referred to was the ready cash on hand.

Mr. NESBITT : We know that this summer there were rumours about amalgamation and merging of navigation companies, and the name of the Richelieu and Ontario Company was very freely used. It was said there was to be an amalgamation of nearly all the navigation lines and it is even rumoured that negotiations are still pending. At the present moment I cannot remember whether it is the Richelieu company which is trying to absorb the other company, or vice versa. There is a great deal of rumour in the newspapers about the proposed amalgamation, and I think, with all due deference to my hon. friend, that it is a little drawing on the imagination to talk about this company investing its loose capital in call loans in the winter time, because it is not running its ships.

Mr. PUGSLEY : Can my hon. friend tell me how the company is required to invest its surplus moneys at the present time, and from what arises the necessity of making this change ? It certainly strikes me as rather extraordinary to give the directors of the company a power which they could exercise independently of the shareholders, that they might invest the surplus money of the company as they see fit, in mortgages on real estate or in promissory notes, or deposit it in banks. That company has been in existence at least since 1895. It has been a very successful company; it is apparently well managed, and is of course a great accommodation to the travelling public. It has not, however, been shown to this committee that any great inconvenience has arisen by reason of the present law as it affects this company. Before the committee should be asked to make such an apparently sweeping change as this, which might be acted upon to the detriment of the minority of the shareholders, some good reason ought to be shown for the change.

Mr. LESPERANCE : The Richelieu and Ontario Navigation Company was incorporated under its present charter about fifty or sixty years ago. The hon. member knows that all companies organized under letters patent have the same privilege as the one that is asked for to-day by the Richelieu Company under section 2, that is, they have the right to invest their idle moneys as they see fit in the interest of the company.

Mr. BELAND: The company had that power before to-day.

Mr. LESPERANCE : They did not have it, but they took it, they found that it was contrary to the regulations under their original charter, and they want Parliament to-day to give them the right to use that money in the same way that the companies organized to-day under letters patent have. There is no special privilege asked for here but what is given by the Governor General in Council in issuing letters patent. As I said a moment ago the Richelieu Company during the summer months had big earnings, and had a large sum of money on hand or in the banks for which they were getting no returns, and they want to have the privilege, as all companies to-day organized under letters patent have, to lend that capital to the best advantage of the shareholders of the company. The section does not say that the directors shall have the right to invest the money temporarily, but that the company shall have the right, and the directors shall only have the privilege to use that money as directed by the shareholders.

Mr. OLIVER: That is not at all clear in the Bill. I should like to say to my hon. friend that there is an interest in this or

any other transportation company outside of the mere terms of the Bill. As a matter of fact during the past season, rates of freight on the Great lakes have been materially increased, and the people of western Canada are feeling the burden of that increase to-day in a reduced price for their wheat. When a company interested in transportation on the lakes comes forward and asks for an increase in capital, we would like to be satisfied that that increase of capital is for the purpose of developing transportation, for the purpose of increasing transportation facilities, as my hon. friend has told the House it is, rather than for the purpose of restricting competition in transportation. If the Bill stated what my hon. friend said to the House, it would be very much more satisfactory; but the Bill does not make any such statement. Instead of the Bill providing that the company may only increase its capital stock for the purpose of enlarging its actual transportation facilities, in section 2 the Bill provides that the company may use its money for any purpose that it pleases. If that does not leave the condition so that the company may raise money by selling stock and then use that money to choke off competition, I am at a loss to understand how such action would be prevented by this form of wording. This is the position as it appears to us, and while we have no expectation of preventing the passage of the Bill, and while we do not wish to delay its passage when we are not able to secure amendments, we feel it necessary to place before Parliament our views in regard to the section.

Mr. McKENZIE: I should like to call the attention of the Prime Minister to the sweeping character of this legislation. I do not know whether the hon. gentleman who is in charge of this Bill is a lawyer or not, but this legislation goes very much farther than we are accustomed to see. I do not wish to detain its passage, but I think there should be as much uniformity as possible about such enactments. There was a time in corporation law when anything that a company was not prevented from doing by the Statutes they could do. The common law as bearing on company law to-day is that they can only do what they are specifically authorized to do. I take it that the powers of this company were granted in the original charter. I notice that the charter was amended seven, eight or nine times, and possibly its powers have been extended. It has not been brought to the notice of the Committee that powers have been taken to enlarge the capital before, although such powers might have been taken. I do not see, however, why the powers of the company should be extended simply because it requires to enlarge its capital. The common sense idea of the committee would be that the company simply wants more money to carry on the same business as it has been doing in the past. If that is all it is going to do, all that is necessary is the power to raise the capital from what it was to what the company wants it to be. The section goes very much farther than that; and applying the common law as I understand it to this second section, I think it gives unlimited and undefined powers to the company. The directors through whom the company must act are given unlimited powers, whatever their notions may be of what is required to be done with the money or whatever they choose to invest it in. We are getting away altogether from the rules that are supposed to surround legislation of this kind. I do not quite understand why any well-advised draughtsman would use the language used in the section, or why any company that wishes to be governed by a Dominion charter should ask for such a clause. I would also call the attention of the promoter to the second section. We had a Bill of like character before the Commons yesterday, and there was a good deal of discussion as to the representation of shares at the meeting. I think the conclusion reached last night was that there should not be less than two-thirds of the value present and that a majority of that two-thirds should decide the action of the company. There is nothing in this Bill providing that two-thirds of the shares must be represented. It only provides that two-thirds of the value present shall decide. There might only be three shares represented, and the majority of these could decide the action of the company. This is very vague legislation. I think there should be at least two-thirds represented by proxy or otherwise, and in that case a majority might well decide. But under this provision, if there was only one share represented, and if, conceivably, you could divide that share, then, two-thirds of that one share would decide the action of the company.

Mr. PUGSLEY: This Bill professes to go far beyond what Parliament has done with reference to joint stock companies incorporated by letters patent. There are strict limitations in the Joint Stock Companies Act as to what a company may do with its funds. Would the promoter be willing to incorporate in the Bill some such provision as this:

Provided, however, that the company shall not be allowed to invest its money contrary to the provisions of the Joint Stock Companies Act.

I would call the attention of the Prime Minister to this point. Take for instance, section 167 of the Joint Stock Companies Act. It provides:

No company shall loan any of its funds to any shareholder.

There is a clear limitation, a prohibition. Yet, if the Bill passes, this company will be free to loan its money to shareholders. Whether that is the object of the amendment or not I do not know. At all events, it is something absolutely prohibited by the Joint Stock Companies Act. Thus, the promoters of this Bill seek to obtain powers which they could not obtain under the Joint Stock Companies Act, so far as loaning to shareholders is concerned. Another section of the Companies Act, and a very important one, says:

168. No company shall use any of its funds in the purchase of stock in any other corporation unless in so far as such purchase is specially authorized by the special Act and also by the Act creating such other corporation.

If section 2 of this Bill is passed, there is nothing to prevent this company having perhaps, several millions in its treasury, as the result of the sale of this seven or eight millions of dollars of additional stock, making temporary investments, at all events, of these moneys in the purchase of stock of other corporations. My hon. friend will see that he is asking this Parliament to change the powers of this company with regard to the investment of its money, asking Parliament to give far wider powers than can be granted under the Joint Stock Companies Act; in fact, giving powers that the Governor in Council is prohibited from giving, and the company prohibited from exercising; and he does this without, it seems to me, presenting any satisfactory reasons for making such a sweeping change in the existing powers of the company.

Mr. NESBITT: I would like to hear the Prime Minister on such a sweeping Bill as this. It goes very far, and asks us to assume a great deal of responsibility in giving this company practically a charter to do as it pleases.

Mr. BORDEN: To what particular clauses does the hon. gentleman refer?

Mr. NESBITT: To subsection 2 of section 1.

Mr. BORDEN: It seems to me that this is a very ordinary provision for the increase of the company's capital stock. The capital can only be used for the purposes of the company. I think that many Bills of that kind come before Parliament which are passed without very much discussion. So far as section 2 is concerned, that is a rather unusual clause. I am not at all sure that the view taken by my hon. friend from St. John (Mr. Pugsley) is a correct one. I should be rather inclined to think that, unless it were otherwise specified, section 2 would be governed by the provisions of the Joint Stock Companies Act.

Mr. PUGSLEY: This company is not incorporated under the Joint Stock Companies Act.

Mr. BORDEN: I thought the hon. gentleman said the provisions of the Joint Stock Companies Act governed it——

Mr. PUGSLEY: No.

Mr. BORDEN—and that this section took it out of——

Mr. PUGSLEY: No. We are seeking to give this company powers far more sweeping than could be obtained under the Joint Stock Companies Act, and therefore the clause should be struck out.

Mr. BORDEN: Often, powers are given to a company different from those contained in the Joint Stock Companies Act. I do not know what is the particular object of the section as to temporary investment. That is not a thing usually provided for.

Mr. LEMIEUX: Perhaps the promoter will explain; and will he tell us at the same time where the company is going to spend the money on terminals? Will it be in Montreal, Quebec, or where?

Mr. LESPERANCE: The money will be spent wherever there are terminals to be made on the line, and the line runs from Fort William to Saguenay.

Mr. LEMIEUX: The expenditure on terminals is a very important item; and my hon. friend, who is a member of the board, should be able to tell the committee where the company expect to spend the money.

Mr. LESPERANCE: I could not do that offhand. I know that terminals are going to be made at Fort William that are expected to cost about a million dollars. It is not likely that all this capital will be issued at one time, but only as needed by the company.

Mr. LEMIEUX: I understand that the annual meeting of the company is to take place in a very few days, and the rumour is that there will be a complete change in the organization of the company. Would it not be better to wait until that takes place?

Mr. LESPERANCE: I do not see what that has to do with the Bill.

Mr. PUGSLEY: It does seem to me that my hon. friend ought to answer the objection that I raised to the Bill. He urged that this company was simply asking for powers relating to investment and capital

which are conferred on companies incorporated under the Joint Stock Companies Act. I have shown him that a company incorporated under that Act is prohibited from doing the very things which he is asking this Parliament to give power to this company to do.

Does not my hon. friend see that if this section passes the company can invest any moneys it has on hand by lending to a shareholder of the company, which is contrary to the Joint Stock Companies Act, and that the company can invest in the stock of another corporation, which is expressly prohibited? He is asking Parliament to do what it has forbidden under the Joint Stock Companies Act. Then too the increase of capital can be arranged for without the consent of even half or two-thirds in number of the shareholders. It need not issue stock for its immediate requirements, it is authorized to issue an additional seven or eight millions which might not be required for a number of years, and pending its being required it is authorized to do what it pleases with that money, irrespective of the wishes of the minority shareholders.

Mr. OLIVER: I wish to insist upon the absolute propriety in the public interest of this Bill setting forth in terms what my hon. friend has set forth as to its purpose. Those who are directly interested in transportation from the head of the lakes to the sea want to know whether the intent of this Bill is to increase transportation facilities on the lakes or to restrict competition in transportation. That can be made perfectly clear by a proper amendment to the Bill. If that is not done we are bound to assume that the purpose of the Bill is to enable this company to increase its capital by one-half for the purpose not of increasing its transportation facilities but of acquiring competitive facilities and thereby decreasing competition upon the lakes with corresponding benefit to the company.

Mr. McKENZIE: I understood the Prime Minister to say that this was usual and somewhat extraordinary legislation. From that I am encouraged in insisting on clause two being struck out altogether, or being sufficiently defined, so that we will know exactly what it means. The directors under this are to be a law unto themselves and can do what they like with this money. Then we are not given any definite or clear understanding as to what the money is wanted for. I can only recall one precedent in 1904 or 1905 when the Canadian Pacific railway applied for an increase in capital and the hon. member for West Toronto (Sir Edmund Osler) had to furnish a detailed account of the purpose for which every dollar of that money was to be used. This is not a railway company, but a company of a similar character. It is asking for money to extend its works, to increase its terminal facilities, possibly to buy some boats, and to extend its plant generally. If the practice was good as applied to the Canadian Pacific railway, it is equally good applied to this company, and the particulars should be put in the hands of the Government and in the hands of the committee.

Progress reported.

NAVAL FORCES OF THE EMPIRE.

Mr. THOMSON: Mr. Speaker, when this House rose at six o'clock, I was proposing to discuss the desirability of removing this question from the field of party politics. Certain suggestions were made from this side of the House looking to that end. As I said at the beginning, the question has been thrust into the field of party politics by our friends opposite, but they do not seem disposed to give very much assistance in the way of removing it from that field. Any suggestions made from this side of the House have not been too well received, have not received too much sympathy from members opposite, or from the newspapers supporting them. It has been suggested on this side of the House that the Government should dissolve the House and appeal to the country on this question. Our friends opposite, however, do not seem to like that idea. I propose to make a further suggestion to see if it will meet with their approval. I would suggest that the question be referred directly to the people by means of a plebiscite. It seems to me that while we on this side are very anxious that it should be referred to the people by means of a general election, after all the other way may be the best. At least it would be the best way of finding out what is the actual wish of the people generally, and it would be as good a way as it is possible to adopt of removing this question from the field of contentious politics.

Personally, I am in favour of the principle of direct legislation. I am well aware that a great many members on both sides of this House do not approve of that principle. We are told that many of the best and ablest men both in this House and in other Houses of Parliament are strongly opposed to that principle, but the same thing might be said with regard to any forward movement that has ever been made in the world's history. There is no forward movement in the world's history that has not been opposed by some of the ablest and most conscientious men of the day. However, the world moves on, and our political institutions make progress, notwithstanding that opposition, and I venture to say that the time will come when the principle of direct legislation will be put generally into

force. Personally, I would like to see the principle adopted in a general way. I do not say that it should necessarily be applied to every sort of legislation, but I should like to see it applied to all measures of a certain class. I do not wish to see the principle applied to special pieces of legislation that the Government or some party might wish to refer to the people in order to put the responsibility off their own shoulders on to the shoulders of the public. I say I would sooner see the principle generally adopted. My hon. friend from South York (Mr. Maclean) says he is in favour of the general principle, but strangely enough he opposes the application of that principle in cases of this kind; just why, I can hardly understand. I notice that the only objection which he states, is to having questions affecting the safety of the nation referred to the people. He does not give any reason why he should object—why he thinks the people should not be trusted to look after the safety of the nation. It seems to me that if we are not to refer this question to the people because it affects the safety of the nation, my hon. friend from South York is in disagreement with his leader; because his leader, while he does not speak of direct legislation, says that the permanent policy which he intends to introduce, and which, we understand, is a policy looking to the safety of the nation, shall not be brought into effect until the people express their opinion upon it. It seems rather strange to find the leader of the Government saying that this question of the safety of the nation must be referred to the people in some way, and his followers saying that other questions may be referred, but that the people are not to be trusted on this particular question. I am glad to see that the leader of the Government has more faith in the people than my hon. friend from South York, or, to put it another way, I am sorry to see that the member for South York has so little faith in the people. He talks a great deal about faith sometimes, but apparently he is lacking in faith in this regard. This question is of all questions one that should be referred to the people. The general principle of referring questions to the people has already been adopted in most of our provinces in matters of municipal politics. It may be just to say that questions of ordinary expenditure, even if we do adopt the principle of direct legislation, should not be referred to the people, because the Government, in order to exist and to carry on the business of the country, must have it within their power to expend money for ordinary purposes and for carrying on the ordinary works of the country. But this is not an ordinary appropriation, but an extraordinary appropriation, and we cannot make it anything else. It is an extraordinary and unusual appropriation. I cannot see any ground for the objection of my hon. friend from South York. There are good reasons why we should make an exception in this case. Personally I am not in favour of taking special cases and referring them to the people, but prefer that we should adopt that policy generally. I am aware that many hon. gentlemen in this House are opposed to the principle of adopting the referendum generally. I think, however, that this is a case in which we should be prepared to drop our objections. It is important, I believe, that we should remove this question from the field of contentious politics. I think every hon. gentleman in this House acknowledges in the bottom of his heart that what I propose is right. We are not all acting as though we believed it, but I believe that every member is convinced that that is the proper course to pursue. I believe also that this is such a tremendous expenditure of the people's money that the people have a right to be consulted. We must remember that there is no way of actually getting at the real feelings of the people except by means of direct legislation. It is all very well to say that we can get at the views of the people in a general election. That plan was adopted in the last general election.

Mr. BLAIN: What would the hon. gentleman from South Renfrew (Mr. Graham) say on that point?

Mr. THOMSON: The hon. member for South Renfrew is not here, but he is quite well able to answer for himself.

Mr. BLAIN: He stated in the debate that he was absolutely opposed to plebiscites.

Mr. THOMSON: The hon. member for South Renfrew is only one in this House. If my hon. friends opposite are willing to adopt the principle which I have suggested the hon. member for South Renfrew cannot stop them. I do not think my hon. friend need worry at all about my hon. friend from South Renfrew. I do not think he is worrying very much about him, but I do believe that he is worrying about his own party.

Mr. BLAIN: I did not wish to interrupt my hon. friend, but I was only answering a point by calling his attention to the fact that the hon. member for South Renfrew was not in favour of a principle which he stated everybody was in favour of.

Mr. THOMSON: I did not say that everybody was in favour of it. I am trying to induce everybody to accept that principle in this case. Even although it does not meet with our approval in every

particular, I think that, in view of the importance of taking this question out of the field of contentious politics, we might sacrifice a little. I am willing to sacrifice a little. I said that everyone was in favour of taking this question out of party politics or at least that I believed that to be the case. I also said that, because this is such an unusual expenditure, the question should be referred to the people, for the same reason that we refer such questions to the people in municipal politics.

Mr. BURNHAM: What form should this question take?

Mr. THOMSON: The hon. member for Peterborough, I know, is a sort of animated interrogation point. Surely he does not expect me to fix the form for the Government ! I will be quite satisfied with any reasonable form the Government shall fix, so long as the question is framed in such a way as to get the views of the people. I trust my hon. friend is satisfied that I am not the Government.

Mr. BURNHAM : I would be satisfied if the hon. gentleman would leave it to the Government.

Mr. THOMSON: I am satisfied to leave the form to the Government. Does my hon. friend understand that ?

Mr. BURNHAM : I understand that.

Mr. THOMSON: Hon. gentlemen opposite profess to believe that the people are behind them on this question. They are also clearly on record as favourable to submitting the question of naval defence and a contribution to the people. They are almost unanimous on that point. This is their chance to carry out the policy which they approved of in opposition. If they were sincere then and if they really believe that the people are behind them now, I venture to say that they will submit this question to the people directly. If they do not, if they refuse to adopt the suggestion I am throwing out I submit that there is only one conclusion to which we can come. The only conclusion to which we can come is that they themselves recognize that the people are not behind them on this question and that they themselves recognize that if the people are given an opportunity to pronounce on this question they will turn it down and they will bury it beyond the hope of resurrection.

Hon. CHARLES MARCIL (Bonaventure): Mr. Speaker, I am sure that this House will regret that we are not to receive any more enlightenment from the other side upon this important question. I am the third to rise to-day in succession on your left to discuss the subject under consideration. I am satisfied that this is not the way in which Parliamentary procedure has been carried on in Canada and I know that at a very early date the government will change its attitude in that regard because the people want to have this question thoroughly discussed and ventilated. Silence will not carry the policy of the Government forward and it is not in the interests of the country that such tactics should prevail. Not having heard any speech to-day from the other side of the House in reply to what has been said by my hon. friends on this side of the House, I will have to refer back to some of the speeches which have previously been delivered and make an attempt to deal with some of the arguments which have been advanced in them. On the 5th December, in introducing the measure now before the House, the right hon. the Prime Minister presented the memorandum of the Admiralty Board and prefaced it with the following statement:

I have alluded to the difficulty of finding an acceptable basis upon which the great dominions, co-operating with the Mother Country in defence, can receive and assert an adequate voice in the control and moulding of foreign policy. . . I am assured by His Majesty's Government that, pending a final solution of the question of voice and influence, they would welome the presence in London of a Canadian minister during the whole or a portion of each year. Such minister would be regularly summoned to all meetings of the Committee of Imperial Defence, and would be regarded as one of its permanent members. No important step in foreign policy would be undertaken without consultation with such a representative of Canada. This seems a very marked advance, both from our standpoint and from that of the United Kingdom. It would give to us an opportunity of consultation, and therefore an influence which hitherto we have not possessed. The conclusions and declarations of Great Britain in respect to foreign relations could not fail to be strengthened by the knowledge that such consultation and co-operation with the overseas dominions had become an accomplished fact.

Again, he said:

No thoughtful man can fail to realize that very complex and difficult questions confront those who believe that we must find a basis of permanent co-operation in naval defence, and that any such basis must afford to the overseas dominions an adequate voice in the moulding and control of foreign policy. It would have been idle to expect, and indeed we did not expect, to reach in the few weeks at our disposal during the past summer a final solution of that problem, which is not less interesting than difficult, which touches most closely the future destiny of the Empire, which is fraught with even graver significance for the British Islands than for Canada. But I conceive that its solution is not impossible; and, however difficult the task may be, it is not the part of wisdom or of statesmanship to evade it. And so we invite the statesmen of Great Britain to study with us this, the real problem of Imperial existence. The next ten or twenty years will be pregnant with

great results for this Empire, and it is of infinite importance that questions of purely domestic concern, however urgent, shall not prevent any of us from rising 'to the height of this great argument.'

This is the most important phase of the question that is now before the House and the country. The question of voting $35,000,000 to the Imperial exchequer in defence of the Empire is to Canada a secondary one. Canada, owing to her fortunate position, owing to the immense strides she has made in the last few years, is in a position, if the circumstances warrant, to pay freely out of her exchequer such an amount as that. But that is not the question with which we are confronted at the present time. The Prime Minister has declared that the question with which we are embarrassed now is as to how we shall bring about co-operation between autonomy and defence.

Before entering into the discussion of this phase of the question, I shall glance briefly at the conditions under which Great Britain came into possession of Canada. It so happens that the humble member for Bonaventure, who is now addressing the House, is the descendant of a French family settled in Canada before the English first came, and I therefore feel some interest in referring to the matter. The French Canadians have been for a succession of years the faithful subjects of two of the greatest nations of the world, France and England. These two great nations have been at intervals rivals for centuries, but to-day they are allies, and it is a singular coincidence that at this very moment, when the British Empire, according to some, is threatened by that new German Empire which has arisen in Europe, England looks towards France as a valuable ally in case of need. Corbett, the author of a History of Seven Years War, the result of which gave Canada to England, shows from what small beginnings arise great wars which bring about the fate of nations. Describing the nature and object of the war Corbett says:

A most ill-judged advertisement from the war office has set all the ministers on fire and made them believe we are going to war, which is, I hope, the furthest from our thoughts. So, on October 10, 1754, the Duke of Newcastle, First Lord of the Treasury to King George the Second, wrote to the Earl of Albemarle, his ambassador in Paris. The latest news from America had been so serious that the Government had resolved secretly to reinforce the colonial garrisons, and the war office had let the secret out. So Albemarle was urged to represent the measures that were being taken as purely defensive, and to do all he could to preserve the peace, consistently with the necessary measures for securing our position in North America. Excuse this free letter Newcastle concluded in apology for disturbing the suavity of diplomatic intercourse with so much earnestness but we are on a precipice. I am sure you will keep us out if you can, and I think you may.

How far Newcastle saw into the precipice that yawned at his feet, it is difficult to say, but in its depths lay that mighty drama, which George Washington had already opened in the obscurity of the Ohio solitudes, and which he was to end in triumph before all the world with his declaration of independence.

The origin of the Franco-English war at that period was the publication of this ill-timed advertisement, which was intended to facilitate the sending of assistance to the British colonies in North America. The French at that time were puzzled how to complete the circle which they intended to place around the English colonies, by filling up the important gaps that lay between lake Erie and the upper waters of the Ohio river. La Galissonniere's dream of Empire had been communicated to Duquesne, the new governor, and in 1754 Duquesne went to what is now the site of Pittsburg and constructed a wooden fort, the remains of which are said to exist at the present day. There he was confronted with George Washington, who met with his first defeat at the hands of de Beaujeu, whose descendants still inhabit the province of Quebec. The ill-judged action of Newcastle precipitated this war at a time when England and France were seemingly upon the very best of terms, and this author tells us that at that very moment the English Minister of Foreign Affairs was on good terms with the French court and was sending his presents as usual to Madame de Pompadour, who then exercised great influence at the court of Louis XV. At all events, England sent her troops to Canada and they took possession of the country, under circumstances with which we are all familiar.

The proposition which the right hon. the Prime Minister now submits to this House would, in my opinion, if it were adopted, have the immediate result of reopening the whole constitutional question of our relations with the Mother Country. Some of us had the pleasure of sitting in this House with the late Sir John Bourinot who was clerk of the House up to the time of his death and, as we know, he has left some very valuable writings on the constitutional history of Canada. In a small book, entitled: 'How Canada is Governed,' Sir John Bourinot points out what the people of the colonies and the people of Ontario and of Quebec were able to obtain from England after a struggle of nearly one hundred years. The struggles of the past of Ontario and Quebec are known to us in history to-day and I am sure that no member of this House and no well-wisher of Canada would want that chapter reopened. Speaking after having given this matter close study, my impression is, that if we enter into the

partnership of the Empire which is now proposed to us, we will to a certain extent reopen the whole constitutional question as we have had it in Canada in days gone past. Bourinot says:

As we look back over the century that had passed between the Treaty of Paris, which ceded Canada to England in 1763, and the Quebec convention of 1864, we can see that the struggles of the statesmen and people of British North America had won from England for all the provinces the concession of the following principles which lie at the foundation of our whole political structure:—

1. The establishment at an early period of Canadian history of the principle of religious toleration and equality of sects.

2. The guarantee given to the French-Canadians for the preservation of their law and language.

3. The adoption of the English criminal law in the French as well as the English provinces.

4. The establishment of representative institutions in every province.

5. The independence of the judiciary and its complete isolation from the political influences and conflicts.

6. Complete provincial control over all local revenues and expenditures through the people's assembly.

7. The right of Canadian legislatures to manage their purely local affairs without Imperial interference.

8. The establishment of municipal institutions and the consequent increase of public spirit in all the local divisions of the old provinces of Upper and Lower Canada.

9. The adoption of the English principle of responsibility of the Legislative Assembly under which a ministry or executive council can only hold office while its members have seats in that body and possess the confidence of a majority of the people's elected representatives.

I am glad to know that these ideas of consitutional government still prevail in the old country, and that the British statesmen of to-day, worthy successors of those who governed the Empire in the past, who are familiar with the struggles in which the people of Canada engaged for nearly one hundred years to obtain concessions, have recognized it in the statement made in the memorandum from the Admiralty:

The Admiralty set the greatest store by the important material, and still more important moral, assistance which it is within the power of Canada to give to maintaining British naval supremacy on the high seas, but they think it necessary to disclaim any intention, however indirect, of putting pressure upon Canadian public opinion, or of seeking to influence the Dominion Parliament in a decision which clearly belongs solely to Canada.

This is a recognition of the important principal that not only, as Bourinot says, in matters of local concern but in matters of Imperial concern, whatever step is taken by this Parliament will be taken after mature deliberation and the full responsibility for it must rest solely with the Parliament of Canada. We are here representatives of a growing and prosperous community; we represent men of various creeds and various origins but we are all British subjects, are all loyal to the King, we are loyal above all to Canada our country. No man here within the sound of my voice would hesitate one moment to vote this sum of $35,000,000 now asked for, if he were convinced in his heart and soul that that amount was really necessary or useful for the maintenance of British integrity and British power. We present to-day, unfortunately, the spectacle of a divided people, divided upon a question upon which we should be united; because the adoption of this resolution by a majority of this House, however large or however small, will diminish greatly its value in the eyes of the world, and in the eyes of the Empire. In a matter of this kind it is unfortunate that the sentiment of this House is not unanimous, as it was in 1909, when the matter was first brought up by the hon. member for North Toronto (Mr. Foster). That responsibility, however, does not rest with us. The country is familiar with what happened in the month of March, 1909, at the time of the German scare, and it is needless for me to enter into that phase of the question. I wish to point out another paragraph of the same work, to show what is now the settled policy of this country, recognized not only by this country but by the Imperial authorities. It is at page 66:

It is a fundamental principle of the English constitution that a people under English Government can be taxed only with their own consent through their representatives under the forms prescribed by law.

I claim, with all respect, although I have not the honour of being a member of the legal profession, that a proposal of this kind is not contemplated in the British North America Act—that this Government has no mandate from the people on this subject, and that this Parliament has no authority to take $35,000,000 of the public funds of Canada, and vote them to maintain warships in the North sea or anywhere else. In the British North America Act explicit power is given to this country to organize land and naval defence. The land and naval defence of Canada is confined to this country. The Conservative party in the past under Sir Geo. E. Cartier organized the land defence of Canada. The present leader of the Opposition was the first statesman in Canada to make a step forward in the organization of the naval defence of this country. I am free to speak of his action to-night in his absence,

and say that it will be realized hereafter, if it is not realized by men of his own time, that in doing so he blazed the trail; and, though he is of an origin different from that of the majority of Canadian people, the services which he rendered to Canada and to the Empire at the time of the Boer war, and in 1909 in the unanimous adoption of this resolution by the Canadian Parliament, will never be forgotten.

Since England took possession of Canada, we have passed through various phases. We have had one hundred years of probably one of the most interesting constitutional experiences in the history of any nation. We first had military rule; then we had the Quebec Act; then we had the Constitutional Act; then we had the Act of Union, and, lastly we had the Act of Confederation. Each of these was an improvement and an amelioration on the preceding one. The Act of Confederation, under which we have been living for the last forty-three years, was the greatest improvement of all. Confederation was brought about, as we all know, for two main reasons: first, for the purpose of grouping together the colonies of British North America for the purpose of defence, at a time when British possessions in this country were not secure from an invasion from the great republic to the south. That was not the first time when British power in this country was threatened. Away back in 1776, the Americans invaded Quebec at a time when old Canada comprised practically only Quebec; they offered the people of Quebec many inducements to join them under the republican banner, which had been displayed in the American colonies to the south. It is a fact, therefore, which English-speaking people should never overlook, that, while men of their own blood had become rebels in the thirteen colonies of North America, Providence gave to the French-Canadians, the descendants of the pioneer citizens of this country, the settlement of the question as to whether British power should remain or should depart from this country. They decided in the affirmative, notwithstanding the blandishments of Franklin and Carrol, notwithsanding the inducements set out by Rochambeau and d'Estaing, notwithstanding all the efforts that were made with their clergy and their leading men by the American army itself after capturing Montreal. All this came to naught when, in facing Quebec, the commander of the Americans fell defeated, and the first invasion of Canada was at an end.

In 1812 the same experience was repeated, and in the county of Chateauguay, 300 French-Canadians, led by de Salaberry were able to cope successfully with 7,000 Americans and, in co-operation with the victory of Brock at Queenston, to maintain once more the British flag upon this continent.

We have, therefore, reason to be able to say to England to-day that, while this country has remained British, it has remained British because its first citizens realized that under the British flag could be found all that was necessary for freedom, for liberty of conscience, for progress, and for common security. It was, therefore, unnecessary, I think, and rather unfortunate, that the Admiralty, in sending a state paper of this kind—and it will be assumed that the Admiralty is a human institution—made the following statement to a country such as Canada:

> Whatever may be the decision of Canada at the present juncture, Great Britain will not in any circumstances fail in her duty to the overseas dominions of the Crown.
>
> She has before now successfully made head alone and unaided against the most formidable combinations and she has not lost her capacity by a wise policy and strenuous exertions to watch over and preserve the vital interests of the Empire.

As a Canadian, I say it has never been our intention to leave to England the defence of Canada. We are prepared, we have always been prepared,—we have proved it during a hundred years, and we are willing to prove it now that we are prepared—to stand and defend the Empire and to carry our full share of the burden. The only question which remains to be settled is how that can be best brought about.

Before I enter into the discussion of the merits of the question, you might perhaps bear with me for a few moments while I give two or three very short quotations from the leaders of the Conservative party, the men who were the great giants of the party now entrusted with the administration of affairs, to show under what condition Canada brought about and secured the foundation of the North American Confederation. The three men whom I wish to quote are Sir John A. Macdonald, Sir George E. Cartier and Sir A. T. Galt. They will tell us in very few words what were the responsibilities which we assumed at the time of Confederation, what were our relations then with England, and what England gave us when she gave us the British North America Act. I am stating this simply for the purpose of showing how important it is that these great principles should not be overlooked. The question of voting this money is a secondary consideration. There are certain principles which guided the formation of the Dominion as it is to-day, and it is to the friends of the Dominion, the friends of all the dominions, it is to the friends of the Empire that I wish to submit these utterances of the giants of the Conservative

party, to show, before it is too late that what is attempted to be done here is not in the interest of the British Empire, and is not for the maintenance of British authority and power on the American continent. Let us benefit by history. We know what happened in the North American colonies when the Imperial Government sought to interfere in their affairs. British diplomacy has learned a great deal since that time, and this paragraph in the memorandum which I have had, the honour to quote to you shows that no pressure is brought to bear upon Canada and none is intended to be brought to bear, but we are left entirely free to discuss this question. Sir John Macdonald, in introducing the measure about the Confederation of Canada, as reported in the Confederation debates, said:

I believe, that while England has no desire to lose her colonies, but wishes to retain them, while I am satisfied that the public mind of England would deeply regret the loss of these provinces—yet, if the people of British North America after full deliberation had stated that they considered it was for their interest, for the advantage of the future of British North America to sever the tie, such is the generosity of the people of England, that, whatever their desire to keep these colonies, they would not seek to compel us to remain unwilling subjects of the British Crown. If, therefore, at the conference, we had arrived at the conclusion, that it was for the interest of these provinces that severance should take place, I am sure that Her Majesty and the Imperial Parliament would have sanctioned that severance. We accordingly felt that there was a propriety in giving a distinct declaration of opinion on that point, and that, in framing the constitution its first sentence should declare 'that the executive authority or government shall be vested in the Sovereign of the United Kingdom of Great Britain and Ireland.'

And he goes on:

The desire to remain connected to Great Britain and to retain our allegiance to Her Majesty was unanimous.

That desire still prevails in Canada. And the Prime Minister of that day, Sir Etienne Pascal Taché, gave a word which has now become familiar to every man, woman and child in Canada—that the last gun to be fired in defence of Canada's connection with Great Britain would be fired by a French-Canadian.

Sir John said further:

Not a single suggestion was made that it could, by any possibility, be for the interest of the colonies, or of any section or portion of them, that there should be a severance of our connection. Although we knew it to be possible that Canada, from her position, might be exposed to all the horrors of war, by reason of causes of hostility arising between Great Britain and the United States—causes over which we had no control and which we had no hand in bringing about—yet there was a unanimous feeling of willingness to run all the hazards of war, if war must come, rather than lose the connection between the Mother Country and these colonies.

Liberal as I am, I am proud to be able to speak for my countrymen of the Liberal party when I say that though forty-six years have passed since these words were spoken by the great leader of the Conservative party, the sentiments of the Canadian people have remained the same. We wish to remain British subjects; and we wish that the Canadian Parliament and the Canadian people should be masters of their own destinies. The problems in which we are more competent to express an opinion than is the elector or even the Parliament of Great Britain we wish to settle for ourselves. And as to the settlement of the important question which is now before the House, my humble opinion is that no satisfactory solution will be brought about until the people of this country have been consulted and been given an opportunity to say what they want. The right hon. Prime Minister is anxious to do something for the Empire, evidently; but he is anxious, at the same time, that we should enter into the foreign policy of Great Britain. Does any man fully realize what it means for a small country like Canada—small after all compared with Great Britain—to enter into the foreign policy of Great Britain? We all know that at the present time there are hundreds of treaties binding on Great Britain—binding some of them on us, though the interpretation given by the Imperial authorities is that we can be relieved of those treaties—which it would be ridiculous to attempt to make binding upon Canada. There are some of these treaties the mere mention of which is enough to give food for thought. I may mention a few of them—not the commercial treaties, because these commercial treaties we may be excepted from, but some of the political treaties. People do not seem to think what it is to shoulder responsibility of this foreign policy of Great Britain, and to have a voice in the framing of that foreign policy. Mr. Gibson Bowles has made a list to (1900) of British treaty obligations. It is in part as follows:

Thus she has guaranteed that Belgium shall form an independent and perpetually neutral state.

She has undertaken, in case of the attack of an invader, to protect Chusan and its dependencies.

She has guaranteed that the Grand Duchy of Luxembourg shall henceforth form a perpetually neutral state.

She has guaranteed the integrity and perpetual neutrality of Switzerland.

She has guaranteed, as against Russia, the territories of Norway and Sweden.

She has guaranteed the independence and territorial integrity of the Ottoman Empire.

She has guaranteed Greece as a monarchial, independent and constitutional state.

She has especially guaranteed, as against Russia, all the Ottoman possessions in Asia.

And most especially and most repeatedly has Great Britain guaranteed her most ancient ally, Portugal. . . to defend and protect all conquest of her colonies belonging to the Crown of Portugal.

The right hon. Prime Minister proposes that we should enter upon the consideration of relations such as these. Will Canada have a voice in the framing of the foreign policy of Great Britain throughout the world? Is that the task we are about to undertake? Is that the consideration that would be given to us for our contribution of $35,000,000? I hope the Prime Minister has no such intention; because if our sessions are long now, lasting six months, I am afraid that twelve calendar months will not be sufficient for the consideration of these questions. I would like that whatever is done for the defence of the Empire should be done unanimously by the Canadian people, if possible; that it should be done unanimously by the Canadian Parliament. Three years ago we were unanimous on this question. I did not have the pleasure of voting on that question, but I had the pleasure of putting it to the House. I have the advantage, or disadvantage, of being the only member now sitting in the Parliament who was also a member of last Parliament who was not called upon either to speak for or against the navy, for the reason that I occupied then the exalted position which you now occupy, Mr. Speaker, so creditably to yourself and to the House. But I wish it to be understood, that, in so far as I am concerned, I am not prepared to enter into a policy such as this. I have no mandate from my electors for anything of that kind. I have been elected by them to this House to deal with questions affecting Canada, Canadian questions, to deal with what is of interest and importance to them; but as for guaranteeing the neutrality of kingdoms beyond the sea, meddling in the affairs of the Ottoman Empire, or Persia or Abyssinia or other kingdoms, I am not prepared to enter into any policy of that kind. I am prepared, speaking in their name, to do what I think is right for the maintenance of British rule in this country. But at the same time, as we maintain British rule, I would like to maintain, and I know I am fulfilling my duty in maintaining the rights of the Canadian people because British rule can only be maintained in America in so far as the rights of the Canadian people are maintained, and interference from the British Government can only bring about disaster, in the twentieth century as it brought about disaster unfortunately, in the eighteenth century. The British Government have learned by experience, and will not ask us to do this or do that. They will leave the matter with us. What remains for us to decide is whether the proposal now made by the Government is a proper one to meet the case, or whether we should resort to another.

I have promised to give extracts from three Conservative leaders. I mentioned Sir John A. Macdonald because he was the great man of Confederation. How profitable it sometimes is to glance at history. We have heard it said that when the present leader of the Opposition, in company with the then leader of the Opposition, agreed to bring about the creation of a Canadian navy, that was surely a step towards separation from Great Britain. Is it not extraordinary that Sir John Macdonald had to contend with an argument of that kind when, in bringing about Confederation, he was told that it was the first step towards the independence of Canada? If we are to be met at every turn, at every step forward, with the statement that it means the separation of Canada, we shall have to turn back the clock, to look backward, and return to the old days when Canada was a province ruled by a military governor from Great Britain. Sir John said:

One argument, but not a strong one, has been used against this Confederation, that it is an advance towards independence. Some are apprehensive that the very fact of our forming this union will hasten the time when we shall be severed from the Mother Country. I have no apprehension of that kind. I believe it will have the contrary effect. I believe that as we grow stronger, that as it is felt in England we have become a people, able from our union, our strength, our population and the development of our resources, to take our position among the nations of the world, she will be less willing to part with us than she would be now, when we are broken up into a number of insignificant colonies, subject to attack piecemeal without any concerted action or common organization of defence. I am strongly of opinion that year by year, as we grow in population and strength, England will more and more see the advantages of maintaining the alliance between British North America and herself.

These words, that fell from the lips of a statesman should be given full consideration before such a momentous decision as that which we are now called upon to make. Let me proceed a few lines further:

Does any one imagine that, when our population, instead of three and a half, will be seven millions, as it will be ere many years pass, we would be one whit more willing than now to sever the connection with England? Would not those seven millions be just as anxious to maintain their allegiance to the Queen and their connection with the Mother Country, as we are now? Will the addition

to our members of the people of the lower provinces in any way lessen our desire to continue our connection with the Mother Country? I believe the people of Canada East and West to be truly loyal.

These were the words of a statesman. They were spoken after the experiment of trying to govern this country by having one province rule at the expense of another, after a deadlock which had existed for years between Ontario and Quebec, after the fear of invasion from the American colonies, at a time when the roar of cannon mentioned by the Prime Minister was heard, not in the Balkans, but within not many hundred miles of the place where we are now met to deliberate on a mementous question. Representatives of the people then declared that Confederation of the North American colonies meant an alliance with England, the alliance of one nation with another nation.

As I understand it is the wish of the House, as we have no sitting to-morrow, to adjourn at an early hour to enable certain members who wish to leave the capital to do so, I will, with your permission, move the adjournment of the debate.

Motion agreed to, and debate adjourned.

On Hotion of Mr. Rogers, House adjourned at ten o'clock.

HOUSE OF COMMONS.

THURSDAY, February 6, 1913.

The SPEAKER took the Chair at Three o'clock.

PRIVATE BILLS.

FIRST READINGS.

Bill No. 117, respecting the Canadian Western Railway Company.—Mr. Aikins.

Bill No. 118, respecting the Imperial Traction Company.—Mr. Clark (Bruce).

Bill No. 119, respecting the Prudential Trust Company, Limited.—Mr. Macdonell.

QUESTIONS.

(Questions answered orally are indicated by an asterisk).

Mr. SPEAKER: The hon. member for Antigonish (Mr. Chisholm) stated the other day that a question of his which had not been answered had been dropped from the Order Paper. On making inquiry, I find that the question was answered at the time, and, therefore, it properly disappeared from the Order Paper.

Mr. CHISHOLM (Antigonish): The answer given was that the matter was under the consideration of the Government, which is no answer at all.

Mr. MARCIL.

Mr. SPEAKER: It is the right of a minister to give such answer as he deems suitable, and the answer given in this case is an answer which is frequently given by members of Government.

HOMESTEAD INSPECTIONS.

Mr. KNOWLES:

How many inspections were made during the months of June and July, 1912, by homestead inspectors Shields, McLaren, Erratt and Rathwell, respectively?

Mr. ROCHE: Shields, 25; McLaren, 34; Erratt, 47; Rathwell, 72.

HOUSE OF COMMONS LAW BRANCH.

Mr. WILSON (Laval):

1. Has the report of the Royal Commission appointed to examine into the affairs of the Law Branch of the House of Commons been received? If so, when and by whom?
2. Who were the persons who formed that commission and what were their instructions?
3. What did the commisson find and what recommendations did it make?
4. Has the Government taken any action in consequence?
5. Does the Government intend to place the report of the commission or any other documents relating thereto on the table of the House? If not, for what reason?

Mr. BORDEN: An inquiry was made by Dr. Adam Shortt, of the Civil Service Commission, and Mr. W. D. Hogg, K.C., of Ottawa. Their report is under consideration. Further information will be given to the House at a later date.

EMPLOYMENT OF LOUIS LAVOIE.

Mr. LAPOINTE (Kamouraska):

1. Is Mr. Louis Lavoie, of St. Paschal, county of Kamouraska, in the employment of the Department of Agriculture or of any other department?
2. If so, what are his duties, what is his salary and who recommended his appointment?

Mr. CODERRE:

1. Louis Lavoie, of Rivière du Loup, is employed by the Department of Railways and Canals on the Intercolonial railway at Rivière du Loup.
2. Extra trackman; his rate of pay is $1.70 per day and he was recommended by Dr. Luc LeBel.

DOMINION LAND AT PRINCE ALBERT.

Mr. MARTIN (Regina):

1. Was the north half of the southwest quarter of section 8, in township 49, range 26, west of the 2nd meridian, a part of a forest reserve?
2. If so, was it ever made available for homestead entry, and on what date was it made so available?

3. Was any notice that the land was available for homestead entry given to the public? If so, what notice was given, and what was the nature of such notice?

4. Who was allowed to enter for the land as a homestead, and what was the date of such entry?

5. Were any instructions sent by the Government, or any member thereof, to the Dominion lands agent at Prince Albert, directing such agent to accept the application of any particular person or persons for the said land?

6. Is the Government aware that the said piece of land is said to form a part of the city of Prince Albert?

7. Has patent for said land been issued? If so, on what date and to whom?

Mr. ROCHE:

1. No. It was included in land set aside by the department with the intention of having it form part of a forest reserve, but subsequently this parcel with others along the southern boundary of the proposed reserve were found to be good agricultural lands and were withdrawn prior to the establishment of the reserve.

2. Yes; March, 1909.

3. No.

4. Arthur Donaldson, 16th April, 1912.

5 and 6. As far as the records of the Department of the Interior are concerned, no.

7. Yes. 19th November, 1912. Arthur Donaldson, Prince Albert, Saskatchewan.

MOOSEJAW LAND DISTRICT.

Mr. KNOWLES:

How many inspections were made during the months of June and July, 1912, by homestead inspector Miller, of the Moosejaw land district?

Mr. ROCHE: 33.

PRINCE EDWARD ISLAND CAR FERRY.

Mr. HUGHES (Kings, P.E.I.):

1. Has a contract been entered into for the construction of a steamer for the proposed car ferry service between Prince Edward Island and the mainland?

2. If so, who are the contractors, and where will the said steamer be built?

3. What will be her nominal and indicated horse-power?

4. How many tenders were received, and what was the amount of each tender?

5. What is the amount of the tender which has been accepted, and what will the steamer cost when completed and ready for the service?

6. When will the service be commenced?

7. Has a contract been entered into for the construction of the necessary piers? If not, why why not?

8. Have the plans, specifications and estimates of the piers been completed?

9. If so, when will the piers be built and what is the estimated cost of each?

10. Has it been decided to standardize the gauge of the Prince Edward Island Railway? If so, have the plans, specifications and estimates of the work been prepared, and what is the estimated cost?

11. When will the work of standardizing the said railway be commenced, and when is it expected to be finished?

12. Will tenders be called for this work, or will it be done by day labour under the supervision of the department?

Mr. COCHRANE:

1. An Order-in-Council was passed on January 9, 1913, awarding a contract for the proposed car ferry service, which contract is now under preparation.

2. The contract was awarded to Sir W. G. Armstrong Whitworth & Co., Newcastle-on-Tyne, England, at their works.

3. 7,000 indicated horse power, collectively.

4. Four: (a) Sir W. G. Armstrong, Whitworth & Co. England, £138,000 sterling. (b) Canadian Vickers Ltd., London Eng., 2 tenders: No. 1, £112,480 sterling; No. 2, £110,700 sterling. (c) Swan, Hunter & Wigham, Richardson, Ltd., Wallsend-On-Tyne, England, £140,000 sterling.

5. Amount of tender accepted, £138,000 sterling.

6. It is expected the service will be commenced some time during the year, 1914.

7. No; but plans, specifications and an estimated cost, for the necessary piers, &c., are being prepared.

8. No.

9. Answered by numbers 7 and 8.

10. The matter is receiving the attention of the Government.

11. The matter is under consideration.

12. The matter is under consideration.

Mr. HUGHES (Kings, P.E.I.):

1. Will any dredging be required on either side of the Northumberland Straits in connection with the proposed car ferry service between Prince Edward Island and the mainland?

2. If so, how much will be needed, and what is the estimated cost?

Mr. COCHRANE:

1. Yes. Some dredging will be required.

2. Plans, specifications and estimates in connection with the proposed car ferry service are not completed.

INTERCOLONIAL RAILWAY—EMPLOYEES' WINTER CLOTHES.

*Mr. EMMERSON:

1. Have the railway trainmen on the Intercolonial and Prince Edward Island railways been furnished their usual suits of winter clothes? If not to all, have any of the classes of trainmen received them? If not, what is the cause of the delay?

2. Were tenders asked for the supply of such clothing? If so, who were the tenderers and what were their figures or prices respectively?

3. If contracts were not made after public tenders, were the purchases made by private

contract, with whom and at what prices on the several divisions respectively?

4. Have the train or ticket agents received their winter suits of clothes? If so, from whom were they purchased and at what prices?

5. Have the railway conductors received their suits of winter clothes? If not what has caused the delay?

Mr. COCHRANE :

1. The railway trainmen comprising conductors of parlour cars, sleeping and dining cars, sleeping car porters, brakemen and train agents have not yet all been furnished with their usual winter uniforms. Twenty-eight of the fifty-four parlour, dining car conductors and sleeping car conductors and porters, have received theirs. The delay in receiving the other uniforms, which the contractors promise to deliver next week, was partly due to delay in receiving the cloth for these uniforms and partly due to the tailors themselves.

2. The serge for the uniforms was purchased from Mickleborough, Muldrew & Co., Toronto, at the following prices: Serge for uniforms of brakemen at $1.75 per yard, serge for uniforms of conductors, policemen, train agents, dining, parlour and sleeping car conductors and porters at $2.75 per yard; for the making of these uniforms, tenders, as per attached summary, were received.

3. For the making of the Intercolonial railway uniforms on the line east and west of Moncton, the offer of Roop & Co., Truro, was accepted; for the making of uniforms north of Moncton, the offer of J. A. Ferland, Quebec, was accepted; for the uniforms required on the Prince Edward Island railway, the offer of Geo. McQuaid, Charlottetown, was accepted.

4. Thirteen of eighteen train agents have received their uniforms. They were supplied by Roop & Co. and J. A. Ferland, at the prices named in answer Number 2.

5. A small proportion of the conductors have received their uniforms; the contractors promise that they will deliver the balance next week. The delay was partly due to not receiving the cloth on time, and partly due to the tailors themselves and our having to return some of the uniforms, they not being made according to specification.

CHAMBLY CANAL.

Mr. DEMERS :

1. In the session 1910-11, what sum of money was voted by Parliament for macadamizing the public roads along west of the Chambly canal, county of St. John's and Iberville?

2. What amount of this sum was so expended during the year 1911?

Mr. COCHRANE :

1. Amount of vote, $16,000.00.

2. Amount expended, $15,237.04.

Mr. EMMERSON.

MILITIA PERMANENT FORCE SUPPLIES.

Mr. MACLEAN (Halifax):

Who are supplying the militia permanent force at Halifax, N.S., for the year following April 1, 1912, with the following articles:—bacon, jams and butter, and at what prices respectively?

Mr. HUGHES :

1. The contractors for butter are Messrs. Smith & Proctor, Halifax, at the following prices: dairy butter, 24 cents per pound; creamery butter, 27 cents per pound. These prices are for butter supplied either in one pound prints or in firkins. The contractors for bacon are Messrs. Davis & Fraser, Halifax; the prices are: breakfast bacon, 15 cents per pound; green bacon, 10 cents per pound. The contractor for jams is E. D. Smith, Winona, Ontario, at 63 cents per 7-pound tins.

ROYAL COMMISSION ON TECHNICAL EDUCATION.

Mr. COCKSHUTT :

1. Is the report of the Royal Commission on Technical Education yet completed?

2. How soon is it likely to be brought down to the House?

Mr. CROTHERS : I am advised by the chairman of the commission that the report has not yet been completed, but will likely be early next month.

CLAIMS OF PELAGIC SEALING.

Mr. SINCLAIR:

1. Does the Government intend to compensate the persons formerly interested in sealing off the British Columbia coast and in the waters of the Pacific, for the losses sustained by them owing to the stoppage of pelagic sealing?

2. Does the Government intend to appoint a commission to consider and determine the amount of such compensation? If so, when will this commission be appointed?

3. What are the names of parties who have filed claims with the Government, if any, and the amount of each claim so filed?

Mr. HAZEN:

1 and 2. The matters are under consideration.

3. No stated claims have yet been filed.

FIGHTING ISLAND FISHING RIGHTS.

*Mr. McCOIG:

1. What is the date of the arbitrator's report fixing the annual value of the fishing rights of Charles H. Gauthier on Fighting island in the Detroit river?

2. At what amount was the annual value of the said fishing rights fixed or determined by the said arbitrators?

Mr. HAZEN:

1 and 2. The submission to arbitration was revoked before a conclusion was

reached, and as a consequence the arbitrators had no power to make an authoritative award.

GOVERNMENT LAND PURCHASES, OTTAWA.

*Mr. MURPHY:

1. Within an area north of Wellington street and west of Bank street, in the city of Ottawa, what properties have been purchased or acquired by the Government, from whom were the purchases made, and what was the price paid, or agreed to be paid, in each case?
2. How many of the said properties are not yet paid for, who are the owners thereof, and what amount, if any, is in dispute in each case?
3. What are the names of the persons who were employed in any capacity, or for any purpose, in connection with the purchase of the said properties, and what were the terms of their employment?
4. What amount has been paid to each, what further amounts are to be paid to such persons, and what are their respective names?
5. Has the Government employed any persons or agents to collect rents from the tenants or occupants of any of the said properties? If so, what are the names of such rent collectors, for what period are they employed, and what amount by way of salary, fees, or commission, has been paid to each?
6. What was the total amount paid by the Government up to January 31, 1913, in connection with the purchase or acquisition of the said properties?

Order for return agreed to.

ALDERSHOT CAMP—ICE SUPPLY.

Mr. MACDONALD:

1. What were the amounts paid for filling the ice house at Aldershot, on the camp grounds in the years 1909, 1910 and 1911 respectively?
2. What amount has been paid in the present year?
3. Have tenders been called for the supply of ice in 1911 and 1912?
4. What are the names of the parties supplying ice in each of said years?

Mr. HUGHES (Victoria and Haliburton):

1. 1909, $121.12; 1910, nothing; 1911, $145.80.
2. Fiscal year 1912-13, $325—lowest tender received.
3. Yes.
4. 1911, Wellington Sanford; 1912, Kenneth Sharpe.

FARMERS' BANK COMMISSION.

Mr. HENDERSON:

1. Has the report of the Royal Commission appointed to examine into the affairs of the Farmers' Bank been received by the Government?
2. If not, when does the Government expect to receive such report?

Mr. WHITE:

1. No.
2. Before the end of the present month.

LARRY'S RIVER AND CHARLOS' COVE MAIL CONTRACT.

Mr. SINCLAIR:

1. Has a contract been entered into for carrying the mails between Guysborough and Larry's River and Charlos' Cove?
2. If so, what is the name of the contractor, the yearly amount and date of contract?
3. What are the names of all parties who tendered for this service and the amount of each tender?
4. Who are sureties for the present contractor?

Mr. PELLETIER: This contract not being yet completed, it is not deemed advisable to give particulars now. They will be given as soon as the matter is closed.

YARMOUTH NORTH POST OFFICE.

Mr. LAW:

What were the receipts from the sale of stamps, money orders and postal notes at the post office at Yarmouth North, Yarmouth county, Nova Scotia, for each of the months of October, November and December for the years 1911 and 1912, respectively?

Mr. PELLETIER:

1911.	Revenue.	Money Orders issued.	Postal Notes sold.
Oct.	$115.45	$3,142.08	$13.90
Nov.	106.40	3,448.07	15.11
Dec.	187.23	3,981.88	31.62
1912.			
Oct.	57.61	705.88	41.11
Nov.	72.49	502.97	49.41
Dec.	143.66	732.09	57.63

UNIFORM BRITISH NATURALIZATION.

Mr. E. M. MACDONALD: With regard to the question of Imperial naturalization, which we discussed a short time ago, I see a cable despatch to several of the Canadian papers stating that action by the Imperial Government has been delayed on this question on account of the objections raised by the Canadian Government. Perhaps the Minister of Justice will let us know what justification there is for this cable despatch, and what the position of matters is.

Mr. DOHERTY (Minister of Justice): I am at a loss to understand how it can be correctly said that delay has resulted from our action. The last communication went from our side on the 4th of December, and we are yet awaiting an answer. I did say the other day that the precise form of an amendment which had been suggested and, as I understood, accepted in principle, had not been settled. Our communication of the 4th of December is still unanswered, and I believe it is still under consideration on the other side.

NAVAL FORCES OF THE EMPIRE.

Consideration of the proposed motion of Mr. Borden for the second reading of and concurrence in the resolution reported from the Committee of the Whole for increasing the effective naval forces of the Empire, and the proposed amendment of Sir Wilfrid Laurier thereto, resumed from February 4.

Hon. CHARLES MARCIL (Bonaventure): When I had the honour, on Tuesday evening, of moving the adjournment of the debate, I had reached a point in my argument where I was attempting to show that the Prime Minister, under the proposals now before us, is proposing to bring about a change in the relations which exist between Canada and the Empire. I had the honour to discuss that point and to read to the House the declaration made by Sir John Macdonald in the Confederation debates to show that the basis of the Confederation of the Dominion of Canada had been an undertaking by the Canadian people to govern and defend these North American colonies under the British constitution. I promised also to quote two other statesmen of that period. Sir A. T. Galt and Sir George Cartier. I will quote first Sir George Cartier to indicate some of the conditions under which Confederation was brought about and the undertaking which Canada assumed at that time, as a reminder at the present time to the men in office and charged with responsibility by the Canadian people that in bringing about any change in the relations between Canada and the Empire they are assuming vast responsibility. Attorney General Cartier said this:

> Confederation was, as it were, at this moment almost forced upon us. We could not shut our eyes to what was going on beyond the lines, where a great struggle was going on between two confederacies, at one time forming but one confederacy. We saw that a government, established not more than eighty years ago, had not been able to keep together the family of states which had broken up four or five years since. We could not deny that the struggle now in progress must necessarily influence our political existence. We did not know what would be the result of that war—whether it would end in the establishment of two confederacies or one as before. However, we had to do with five colonies, inhabited by men of the same sympathies and interests, and in order to become a great nation they require only to be brought together under one general government. The matter resolved itself into this, either we must obtain British North American confederation or be absorbed in an American confederation. Some entertained the opinion that it was necessary to have British North American confederation to prevent absorption into the vortex of American confederation. Such parties were mistaken. We knew the policy of England towards us—that she was determined to help and support us in any struggle with our neighbours. The British provinces, separated as at present, could not defend themselves alone, and the question resolved itself into this: shall the whole strength of the Empire be concentrated into Prince Edward Island or Canada, as the case may be, in case of a war with the United States—or shall the provinces be left to fight single-handed, disunited? We were not sufficiently united. We had our duties, with regard to England, to perform. In order to secure the exercise of her power in our defence we must help ourselves.

The leader at that time of the Government for the province of Quebec undertook to show the Canadian people that the first and most important duty Canada had to perform at that time was to put an end to the controversies between Ontario and Quebec, which had existed for many years after the union of the provinces, as to representation by population, secularization of the clergy reserves, and various other grievances with which the descendants of the early settlers had to contend. Another step forward had been taken; Canada under Sir John A. Macdonald had become a nation, and the time had come when any proposed alliance would be brought about, not between a dependency and the Mother Country, but between one nation and another. In giving us the British North America Act, Great Britain admitted once and for all that, as concerning Canada and Canadian affairs, the Parliament of Canada, made up of the representatives of the Canadian people, was supreme. In giving us the British North America Act, Great Britain gave us power to defend Canada by land and by sea. As I have already pointed out, Sir George Etienne Cartier organized our land forces, and it was left to Sir Wilfrid Laurier and his cabinet to commence the organization of our sea forces. Unfortunately we stand to-day, in the eyes of the Empire, on a great Imperial question, a divided people. The least that can be said is that the members sitting to your left, Mr. Speaker, represent one-half of the Canadian people, and, as I say, we of this Parliament are in the eyes of the Empire and of the world at large, divided on this great question. What value would be attached by England to this $35,000,000 contribution if it were felt that the amount was contributed with the consent of only one-half of the Canadian people? That is the unfortunate position in which we find ourselves; but I know that on a question affecting the maintenance of the British Empire, every Canadian worthy of the name—regardless of his origin, regardless of his political ties—is determined that, come what may, British supremacy and British institutions must be maintained in this country.

Before leaving this feature of the matter, allow me to read a few words penned by

Sir A. T. Galt, in 1859, who was at the time Minister of Finance, and who represented more particularly the English-speaking element of the province of Quebec. He it was who made the declaration of fiscal independence taken up in 1878 by Sir John A. Macdonald, and resolved into the National Policy which kept our friends opposite in power for so many years. In this brief statement of Sir A. T. Galt the sentiment expressed is to the effect that in fiscal and political matters of Canadian concern the Canadian people and the Canadian Parliament should be supreme. This statement should have some weight with hon. gentlemen on the other side of the House, because it comes from one who in the long line of distinguished persons the Conservative party has given to the service of the country, is one of the best men that political organization has produced.

When the Canadian tariff of 1859 proved to be of a distinctly protective character, various petitions against it were sent from British Chambers of Commerce, and on August 13 the Colonial Secretary, the Duke of Newcastle, wrote to the Governor General, Sir Edmund Head.

The idea prevailing at that time in England, and held particularly by the commercial classes, was that Canada had no right to enact a tariff which imposed duties upon British goods, and here is the statement made by Sir A. T. Galt in respect to this communication from the colonial secretary:

It is to be deeply regretted that His Grace should have given to so great a degree the weight of his sanction to the statements in the memorial, without having previously afforded to the Government of Canada the opportunity of explaining the fiscal policy of the province, and the grounds upon which it rests. The representations upon which His Grace appears to have formed his opinions are those of a provincial town in England, professedly actuated by selfish motives; and it may fairly be claimed for Canada, that the deliberate acts of its legislature, representing nearly three millions of people, should not have been condemned by the Imperial Government on such authority until the fullest opportunity of explanation had been afforded. It is believed that nothing in the legislation of Canada warrants the expressions of disapproval which are contained in the despatch of His Grace, but that, on the contrary, due regard has been had to the welfare and prosperity of Her Majesty's Canadian subjects.

From expressions used by His Grace in reference to the sanction of the Provincial Customs Act, it would appear that he had even entertained the suggestion of its disallowance; and though happily Her Majesty has not been so advised, yet the question having been thus raised, and the consequences of such a step, if ever adopted, being of the most serious character, it becomes the duty of the provincial Government distinctly to state what they consider to be the position and rights of the Canadian legislature.

Respect to the Imperial Government must always dictate the desire to satisfy them that the policy of this country is neither hastily nor unwisely formed; and that due regard is had to the interests of the Mother Country as well as of the province. But the Government of Canada acting for its legislature and people cannot, through those feelings of deference which they owe to the Imperial authirities, in any way waive or disminish the right of the people of Canada to decide for themselves both as to the mode and extent to which taxation shall be imposed. The provincial ministry are at all times ready to afford explanations in regard to the acts of the legislature to which they are party; but subject to their duty and allegiance to Her Majesty, their responsibility in all general questions of policy must be to the provincial parliament, by whose confidence they administer the affairs of the country; and in the imposition of taxation, it is so plainly necessary that the administration and the people should be in accord, that the former cannot admit responsibility or require approval beyond that of the local legislature. Self-government would be utterly annihilated if the views of the Imperial Government were to be preferred to those of the people of Canada. It is therefore the duty of the present Government distinctly to affirm the right of the Canadian legislature to adjust the taxation of the people in the way they deem best, even if it should unfortunately happen to meet the disapproval of the Imperial ministry. Her Majesty cannot be advised to disallow such acts, unless her advisers are prepared to assume the administration of the affairs of the colony irrespective of the views of its inhabitants.

The Imperial government are not responsible for the debts and engagements of Canada. They do not maintain its judicial, educational or civil service; they contribute nothing to the internal government of the country, and the provincial legislature acting through a ministry directly responsible to it, has to make provision for all these wants; they must necessarily claim and exercise the widest latitude as to the nature and extent of the burthens to be placed upon the industry of the people. The provincial government believes that His Grace must have their own conviction on this important subject; but, as serious evil would have resulted had His Grace taken a different course, it is wiser to prevent future complication by distinctly stating the position that must be maintained by every Canadian administration.

There we have in a nutshell the statement made by the Conservative party while in office, a statement accepted by Sir John Macdonald, ratified by the people of Canada in 1879 at the time of the adoption of the national policy and which is now in force, that no matter what may be the proposals of the British Government, no matter whether these proposals may come from the Home Office, the Colonial Office or the Admiralty Board, the Canadian representatives and the Canadian administra-

tion have a first duty to fulfil and that first duty is to expend the revenue from the taxation of Canada for the purposes of Canada, regardless of whatever views may prevail in Imperial quarters upon our duties. Therefore I deem it of the utmost importance that before any action is taken in this matter the position of Canada should first be weighed, before that of the Empire at large or before that of even the Mother Country.

I wish to read one further short quotation before entering upon the discussion of the memorandum which is now before us. I wish to quote from one of the most gifted speakers who ever spoke in this House, one of the most gifted men Ireland ever gave to this country, a man who, the night he fell under the bullet of the assassin, had pronounced one of the great speeches which have made his name a household word throughout Canada, the late Thomas D'Arcy McGee. These are his words in the debates at Confederation and they are pregnant with meaning at the present moment.

England warned us by several matters of fact, according to her custom, rather than verbiage, that the colonies had entered upon a new era of existence, a new phase in their career. She has given us this warning in several different shapes—when she gave us 'Responsible Government'—when she adopted free trade—when she repealed the navigation laws—and when, three or four years after, she commenced that series of official despatches in relation to militia and defence which she has ever since poured in on us, in a steady stream, always bearing the same solemn burthen—'prepare! prepare! prepare!' These warnings gave us notice that the old order of things between the colonies and the Mother Country had ceased, and that a new order must take its place. (Hear, hear.) About four years ago, the first despatches began to be addressed to this country, from the Colonial Office, upon the subject. From that day to this there has been a steady stream of despatches in this direction either upon particular or general points connected with our defence; and I venture to say, that if bound up together, the despatches of the lamented Duke of Newcastle alone would make a respectable volume—all notifying this Government by the advices they conveyed, that the relations—the military apart from the political and commercial relations of this province to the Mother Country had changed; and we were told in the most explicit language that could be employed, that we were no longer to consider ourselves, in relation to defence, in the same position we formerly occupied towards the Mother Country. Well, these warnings have been friendly warnings; and if we have failed to do our part in regard to them, we must, at all events, say this, that they were addressed to our Government so continuously and so strenuously that they freed the Imperial power of responsibility for whatever might follow, because they showed to the colonies clearly what, in the event of certain contingencies arising, they had to expect. We may grumble or not at the necessity of preparation England imposes upon us, but, whether we like it or not, we have, at all events, been told that we have entered upon a new era in our military relations to the rest of the Empire.

Those were the notes of warning spoken in this House at the time of Confederation, which were given fruition in the adoption of Confederation by the immense majority of the Canadian people. These principles have since been accepted and followed, and I am sure that no man now representing the people at large would undertake to change those conditions without giving to that proposal the deepest consideration.

The right hon. the Prime Minister, after dealing with what seems to him our pressing duty of entering into a better understanding with the Empire with regard to defence and to trade, went on to say that

With the enormous increase of naval power which has been undertaken by all great nations in recent years, this tremendous responsibility has cast an almost impossible burden upon the British Islands, which for nearly a thousand years have exercised so profound an influence upon the world's history. That burden is so great that the day has come when either the existence of this Empire will be imperilled or the young and mighty dominions must join with the Motherland to make secure the common safety and the common heritage of all.

Can it be fairly contended that Great Britain is reduced to this point that a contribution of $35,000,000 from this country will change her position in the eyes of the world? I should rather take the view that was taken by the hon. member for Qu'Appelle in the interesting speech which he gave us the other night that the Prime Minister is now undertaking to pay to a certain extent a moral obligation which consists in meeting the expenditure of $400,000,000 incurred by Great Britain in the maintenance of British authority in North America. To meet a debt of $400,000,000 by a payment of $35,000,000 is indeed a very poor way of meeting a moral obligation; but I hope that is not the view which will be taken by this House or by the country. We are told then in the words of the Prime Minister that this is to pay an obligation, that Great Britain has now a burden almost too heavy for her to carry. This naval question may seem to us in this Parliament a new question, but in the Parliament of Great Britain it is a very old question; it is a question which politicians and administrations there discuss year in and year out.

I have been interested lately in reading two publications in England, both bearing on the navy, to see how men can disagree. One is the Naval Annual, a very important publication in England, the other is a pub-

lication issued by the Imperial Maritime League and it is most interesting to see the divergent views which prevail regarding Britain's present position in naval matters. With the Imperial Maritime League is connected Lord Charles Beresford, a man who has taken a prominent part in the affairs of the Empire lately, and its publication recently contained a statement protesting against the Declaration of London and the Naval Prize Act which has had the support of 400 admirals and general flag officers of the fleet. In any undertaking of this kind all decisions must be of tremendous importance. This paper must be the mouthpiece of a great portion of the public of Great Britain, and it is remarkable to see the difference between the position taken by this Imperial League and that in the memorandum which has been submitted to this House by the Prime Minister. We have been told in this memorandum that no attempt whatever has been made to influence Canada or the Canadian Parliament in a decision which belongs clearly and solely to Canada. In the concluding paragraphs of the memorandum we are again notified, and notified in the most formal language, that if we insist on giving assistance it is desirable that such aid should include the provision of a certain number of the largest and strongest ships of war which science can build or money supply.

Mr. Winston Churchill, the First Lord of the Admiralty, is a bright man. We had the pleasure of meeting him in Ottawa some years ago, and of listening to his address. He has had a meteoric career in Imperial politics; he comes of a good stock; and he may go further than he has already gone. But he has been styled the naval pope, the civilian head of the Admiralty Department. I do not know whether my hon. friends opposite have taken the trouble to read this pamphlet, bearing the good old British colour, but it is a good thing to read such documents because they show that in England people are not afraid to say what they think, and to say it freely. It is only from the expression of honest convictions, after all, that the public interest can best be served. In Canada in the past—let us admit it frankly the people know it, it is inscribed in the pages of history—the loyalty cry has been worked to death by both political parties—by our friends on the other side, and I must say by some of our own friends. But loyalty to Canada is the loyalty which appeals to us to-day, and it is because I am a British subject, and because I am seeking to maintain the British Empire so that those who come after us may have the benefit of the institutions under which we live a happy life, that I contend that the contribution now proposed is a faux pas, a step in the wrong direction, and that, instead of maintaining and augmenting the importance and value of British connection in this country, it will tend to move a certain class of the people further away from British Government. It would be a fatal mistake if we were to undertake to do now what was done in the reign of King George III, to allow even a suspicion that tribute of any kind can be raised in Canada for the benefit of the Empire. It was a fatal mistake of that kind which brought about the loss of the North American colonies and which gave birth to the great Republic to the south of us. What we want to do in this matter, as I understand it, is what we agreed to do in 1909, and let us do it unanimously. Let us do it as the free expression of the opinion of the people of this country. We have a promise of the present Prime Minister on this matter. The Prime Minister when leader of the Opposition made this statement: Were I in power, what would I do? I would go to England and investigate. I would become familiar with the circumstances and would learn, if I could, the exact state of affairs; and, if an emergency did exist, as I am convinced it does exist, and if effective and immediate aid were necessary, I would come back to Canada, I would appeal to Parliament for that immediate and effective aid, and, failing that, I would appeal to the people.

Is the right hon. the Prime Minister not convinced at this moment that Parliament is not unanimous on this question, that there is a strong, nay an almost unconquerable opposition to the proposal that is now before the people? It is not because of the $35,000,000 that is involved—after all, that is a small sum for Canada to-day—but because it is laying down a principle and opening up an era of contributions which may be, unfortunate for British rule in this country, and which, being unfortunate for British rule, would in the long run be unfortunate for Canada itself. I am sorry to detain the House so long with these quotations. But this is such an important question, fraught with such great and tremendous consequences, not only to Canada but to the Empire at large, that we must act in the full knowledge of what we are doing. We must not do this blindly. We must sit here six months, if necessary, and we must sift this question to the bottom, because it is the most important question which could have been brought to your attention, Mr. Speaker, and to our attention.

What does the Imperial Naval League say? It says that the present Government in Great Britain has failed in its duty to the people, that in 1906, 1907, 1908, it failed to carry out the promises made by the right hon. the leader of the Government because of party politics, because it sought to in-

crease its popularity by old age pension funds, and because of other matters of internal concern in British politics. It says that the British Government failed to give to the navy the contributions necessary to maintain its strength as the premier naval power of the world. That is the charge that has been laid in Great Britain against the present British Government. Are we in a position to sift a charge of that kind? Are we in a position to say whether that charge is true, or false? We come to the words of Mr. Asquith and to the words of Mr. Churchill. They say that the present British Government has done its duty, its whole duty—that it has taken the steps that were necessary. Their words have been quoted so often that I have not the patience to quote them again, but we have been given the most positive assurance that at present England is capable of meeting Germany as she has met other nations in the past—that there is nothing to fear. This publication of the Imperial Naval League goes further. It goes on to say that the Unionist party in Great Britain has accepted the assurance of the present Government of Great Britain that England is now capable of defending its flag, its territory, and the Empire, not only against Germany but against all comers. Are we to butt in, to use a very inelegant Americanism, between the two political parties in Great Britain? Are we to blame the present Liberal Government on the one hand for having failed in its duty of keeping up the standard of the British navy, or are we going to suggest blame by giving them a contribution which they have never asked for? To me it is a humiliating position to take in the eyes of Great Britain and in the eyes of the Empire. Why should we undertake to butt in? Why should we tell those two great British parties that they have been recreant in their duty, that they have not done what the people of England expected them to undertake? Dire prophecies have been made in the past about the fate of the present British Government. We read every day that it is doomed to destruction. One day it is on the Welsh Disestablishment Bill—and, by the way, I see that that Bill was passed yesterday, and that the Welsh members, like ourselves, have caught the good habit of singing the National Anthem. We were told that the Asquith Government would go to pieces on that question. Then its doom has been predicted over the suffragette question, which is a much more important question than the German scare or the German menace, and it may be that the British Government will not overcome this social difficulty with as much ease as it has settled the Home Rule question. That question is settled now in the way in which Great Britain, for her honour, should have settled it years ago. She has settled that question, she has settled the Boer question, she has settled the Canadian question when she gave us the palladium of our liberties in 1867, and told us to be worthy of our sires who gave to the North American continent the benefits of British institutions. We are following in her footsteps to-day. What we ask is the right to be informed before we take such a stand as that which we are asked to take now. We do not want to take a step in the dark which may be unfortunate for this country. It is not a question of consideration, it is not a question of finance but it is a question of advisability. What does this Empire League say further? It says—and it has taken this for granted, which I do not, and I am merely stating this to show the position of the navy question in England—that long ago England should have assumed its responsibilities in the eyes of the world, as Germany has done, that England should have come forward with a national loan of a hundred million pounds for the purpose of placing its navy and army in a position to maintain the prestige and independence of the greatest Empire that the world has ever seen. Why have the British authorities not done this, why has the British Parliament not done this?—probably because they thought it was unnecessary. It is a useless waste of time to say that England is deficient in financial resources. England is the great banker of the world, England has millions and billions of money at all times available. She has untold wealth and the volume is increasing in magnitude every day. Must England go before the chancellories of Europe and say that her maintenance rests upon a paltry contribution given by a divided people, after weeks and months of wrangling, that England's prestige rests upon a contribution of $35,000,000 given by the Canadian Parliament without the consent of the Canadian people and without a mandate from the people? Say what we may, every man in this House will admit, as every man, woman and child knows, that the question upon which we were elected was not the question of a contribution of $35,000,000 to the Empire for the maintenance of Canadian ships on the North sea, but it was the question of reciprocity. That was the question that was discussed in this House for weeks and months during the preceding session, that was the issue upon which we went to the people and we came back from the people not to vote $35,000,000 or any other number of millions of dollars to maintain Canadian ships in the North sea, but to carry out what the British North America Act says our duties are. These duties are described in one of the clauses of that Act as the

maintenance and defence of Canada and its territory by land and by sea.

Let me give a few lines from this publication to show what the conception of these people is. They are ardent Imperialists, they are men who belong to a race which for a thousand years has been master of the seas, men who inhale the breezes of the English channel, men who inhale the salted air from the German ocean, men who would be the first to pay the penalty if Great Britain were recreant to her duty. The four points which these men say, constitute the Magna Charta of the British people, are these:

(1) The embodiment and distribution of the whole or the greater part of the fleet reserve.
(2) Abstention, under the present conditions of relative strength, from sending any battle vessels away from home waters.
(3) The immediate arming and preparation for war of a considerable number of selected British merchantmen whose names shall be kept secret.
(4) The appointment of the last-mentioned committee to deal with the question of food supply in war.

This is the platform of this great political party. Have any of these proposals attracted the attention of the Imperial Government to the extent that they have been carried out? I am not sufficiently familiar with navy conditions in Europe, more especially in Great Britain, to say whether these suggestions should be carried into effect or not. The British Government do not think so and the Unionist party seem to be satisfied with the present condition of affairs. How then are we to judge whether Great Britain is really in a position where she needs our co-operation and assistance? I shall not be unfair, and it is against parliamentary practice to quote anything that is derogatory of the conduct of a member of another parliament, but the charges which are made against the first sea-lord in this publication practically mean malfeasance in office and dereliction of duty to his sovereign, his government and his country. Are we to judge between these two? It is not a position that I intend to take. I intend to fulfil my duty as I understand it. I have been sent here to discharge my duty to the Canadian people. The principal duty with which Canada is concerned is the development of our resources and with the carrying out of the ideas of Confederation as we find them in the British North America Act. But, if the Government of the day have a proposal to make, if they are willing to undertake this responsibility, if they wish to widen the relations which exist now as between Great Britain and Canada, if they wish to repeat the experience of Sir Joseph Ward in the Imperial Conference of 1911, to propose an Imperial Council, an Imperial Confederation, copartnership with the Empire, or if they have any of these proposals to make, let them make them, but all I have to say is, let us be faithful to the conditions of the constitution under which we live and let us go to the people who are our masters and by whose verdict we must abide.

Apart from the quotations which I have given, there are many others from authentic sources in Great Britain that would enlighten this House and the Canadian people who, unfortunately, are not familiar with the naval question. I must admit myself that I am more familiar now with it since this proposal has been made to give a contribution to the Empire and if the proposal has had no other result than to bring about a study of the conditions which exist in Great Britain to-day, we should be thankful to my right hon. friend the Prime Minister for that. But, let us look into some of the conditions which now prevail in England and see whether this scare has any substance to sustain it, whether England is really in need of a contribution, whether England is in need of any ships, what are the conditions that exist as regards Germany, what are the conditions in the North German ocean, in the British Channel, in the North Atlantic and in other seas of the world apart from those waters surrounding Canada. Let me quote a few lines from Earl Brassey, who has been invited to contribute an article to The Naval Annual, which article has been given the honour of first position, with respect to the relations of Great Britain and Germany:

Finally, the writer takes occasion to refer to matters which must in the present posture of affairs, cause deep concern to all thinking men, and which in an eminent degree affect the Admiralty. If the hostile feeling which unhappily exists in Germany (not without some provocation) continues, we must look for renewed efforts in construction.

Let us consider the circumstances which have led to mutual distrust. In Germany the construction of battleships has advanced on a scale unapproached elsewhere. It has caused anxiety—perhaps undue anxiety—in this country. Germany does not stand alone in the resolve to create a strong navy. Leading statesmen in all countries have been impressed by the writings of Captain Mahan. In the United States, of all countries the most secure from foreign foes, President Roosevelt had ambitious schemes of naval expansion. Everywhere the belief is held that a nation has no influence without a navy.

These are words that should be well pondered by every hon. member of this House.

Nor is this conviction new. Naval weakness in former times was a moving cause of the discontent then universal in Germany. In a memoir on the political con-

dition, written in 1847, Prince Hohenlohe, minister at Athens, used these words: 'No one will deny that it is hard on a thinking energetic man to be unable to say abroad, 'I am a German,' and not to be able to pride himself that the German flag is flying from his vessel. And when we study the man and see how the Baltic, the North sea, and the Mediterranean, break upon our shores, and how no German flag commands the customary salute—surely the hue of shame will rise into our cheeks.'

To create a navy was impossible while Germany was a divided land. It was sure to be undertaken when Imperial unity was achieved. Russia and France were in close alliance and strong at sea. To redress the balance was a not unnatural resolve. Many ships were built of a type adapted to shallow waters. They became obsolescent at a stroke by the creation, under the direction of Lord Fisher, of a new type with unmatched superiority in speed, and armed with guns of longer range than any hitherto carried on board ship. There was no reticence in the commendation to the public of the new design. It was proclaimed that all earlier ships were obsolete. Lord Fisher carried consternation into Boards of Admiralty.

In Germany it was resolved to make a vigorous effort to build dreadnoughts. The total number proposed under the navy law was thirty-eight. Four ships were to be laid down annually, to be reduced to two ships in 1912. We might have wished that the construction had been spread over a longer term. The aggregate force proposed cannot be pronounced excessive for the fleet of a first-class power.

We have been given the figures of comparative naval strength over and over again, but they are repeated very briefly in the opening lines of this article in which the declaration is made that Great Britain occupies a commanding position. Here we are told that in 1911, whereas the United States expended £26,000,000 on her navy, Germany expended £22,000,000 and Great Britain £45,000,000. On new construction the United States expended £5,250,000, Germany £12,000,000, and Great Britain £17,500,000. The statement continues:

> In eleven years 1900 to 1910, the navy estimates have aggregated for Great Britain, £283,000,000; Germany, £157,000,000; United States, £240,000,000. Our expenditure has grown in enormous proportions. Our supremacy should be beyond question. How do we stand? In men, in ships completed, in ships in commission, we hold a commanding position. In new construction, as measured by the amounts voted, we have not in recent years maintained the two-power standard.
>
> It is not contended that progress has not been sufficiently rapid for present needs. We have to look to the future. If increased construction should be required, it may be possible to put a check on expenditure for other services.

With reference to the manning of the fleet Earl Brassey proceeds:

This brings us to the policy in regard to manning. In numbers we far exceed the two-power standard. Costs of manning must be high under a voluntary system.

Navy Pay—1911-12.

	Numbers.	Wages.
Great Britain..	134,100	£7,511,500
United States (1910)...	60,500	7,206,211
Germany (1910)	57,355	1,910,010
France (1910)	57,500	2,533,043

In addition to wages and victualling expenditure must grow on the maintenance of ships kept in commission, largely for purposes of training. The cruisers of the larger classes at sea under the British flag vastly outnumber those under foreign flags.

The Admiralty insist on manning all effective ships with full crews of permanent men.

This is an answer complete in every respect to the observations made by the Imperial Navy League, that Great Britain is at the mercy of its German foes. There is a paragraph here which shows that Great Britain could easily take advantage of her mercantile marine, if the conditions were such as to lead the Motherland to think that there was any real danger. But it would seem that while gentlemen on the other side of the House are kept awake with nightmares as to the German invasion, the people of Great Britain themselves do not feel the least alarmed. England has the largest mercantile marine in the world, for every two ships that sail the waters one carries the British flag; England has the power to-morrow of arming these merchantmen and of demonstrating to the world a naval power that has never yet been equalled in the world's history. Why has England not taken that step; why has the recommendation of the Royal Commission in this respect not been carried out? Is it not because England believed there was no necessity for it. I quote:

> In closing these recommendations, the report of the Royal Commission on Manning may appropriately be quoted:—We possess they said, in the mercantile marine elements of naval strength such as no other country in the world enjoys. It is in the power of the Government to draw closer to the state at the moment of danger, the loyal enthusiasm of those on whom your Majesty must rely. While the primary object of any scheme of training at the public charge is protection from the hazards of war, it is an advantage not lightly to be valued that the enrolment, training, and maintenance of a reserve must improve the position and elevate the character of British seamen of both the services, and knit them together in the firm bonds of reciprocal feeling and of common interests.

If England is in such dire straits as gentlemen opposite say, as that she must accept a contribution from one of her colonies, why has she not availed herself of her merchant navy? How can it be said that England is in need of money at a time when she has abundant surplus in her treasury,

at a time when she is lending money the world over, at a time when she is reducing her national debt, at a time when Lloyd George and other eminent statesmen are carrying out a programme of social reform which costs millions and millions and millions of money and which is attracting the attention of the world?

Not being familiar with the methods of the Admirality, I could not explain how it was that the clerk who prepared this memorandum was careful to point out the present condition of the navies of Italy, of Austria, and of Germany, and overlooked the navy of France. If we are to accept the statements that are made by gentlemen opposite in support of this contribution, the death struggle is to be between Germany and England. We are told that the German ships are within twelve hours' steam of the shores of Great Britain, but we have not been told that there is a power still nearer to England; a power which has been the worthy foe of England in days past, a power which has a tradition on this North American continent, a power which is to-day the friend and ally of England. Anyone who looks at the map of North America will see in the names of the rivers, the lakes, the cities, the states, the provinces, that a great and powerful race swept over this continent before the coming of the great nation whose loyal subjects we are to-day. That power is France, a nation which may be called upon to-morrow to be the arbiter between Germany and England. The students of recent events know that France is one of the foremost nations of Europe, not only in financial, but in naval and military strength. Notwithstanding that the population of France has been stationary, notwithstanding that in 1870 France met with one of the most disastrous defeats ever inflicted on a nation; notwithstanding that France was prostrated almost lifeless at the foot of the Teuton invader, France has given the world a marvellous example of recuperation, and to-day, as always, France is in the advance guard of civilization. France as I say, may be to-morrow the arbiter of the destinies of England and Germany. It is strange, then, that we have not a word in this Admiralty memorandum about France. Why have we been told of the strength of Italy, of Austria, and of Germany, and why has the power of France, the ally of England, not been mentioned? The Naval Annual tells us that France is to-day the third naval power in Europe. We all know what would happen in the event of a war between Germany and England. Remembering the feelings which have predominated in France for the last foryt years, and knowing that France would not be slow to take advantage to get back what she lost in 1870, we need not be prophets to tell what would happen. I shall not quote a French authority to show that France to-day holds a commanding position in Europe; I shall quote from a writer in the Naval Annual:

No navy has made greater progress during the last year than that of France. In nearly every department of naval activity there is evidence that the period of stagnation, suspense, and unrest is at an end. The reports of M. Bos, M. Chaumet and M. Benazet drew the attention of Parliament to the deplorable condition to which the French navy had been allowed to sink, and under the able and vigorous impulse of Admiral Boue de La Peyrère, steps were taken to place the administration of the navy on a sound footing. Better collaboration has been established between various branches of the service, the dockyards have been set in order, the period of construction much reduced, and a shipbuilding programme put in hand which will make the French navy again a formidable naval force. The idea too long prevalent in France, that torpedo boats, submarines, and the guerre de course could compensate for inferiority in the fighting line has been abandoned. A new squadron of powerful ships has been commissioned. The manœuvres brought together an unusual number of vessels of all classes, and the great review outside Toulon on September 4 which M. Fallières, accompanied by the Presidents of the Chambers and many of their members, saw the whole fleet under way was the most important French naval demonstration since M. Loubet reviewed the fleet off La Ciotat in 1901. The terrible disaster to the Liberté on September 25 was a serious blow to progress, but the navy has recovered its equilibrum, and the Naval Department has since made it a special care to prevent the recurrence of such calamities. M. Delcassé has proved a worthy successor to Admiral de La Peyrère as Minister of Marine, and the immediate future of the French navy is safe in his capable hands. Admiral de La Peydrère is now in command of the battle fleet.

In a very notable report on the estimates of 1912, in which he dealt with the Liberté disaster questions relating to the high command, the central and dockyard administration, and other matters, M. Plainlevé, the Budget reporter raised the fundamental question of the real object of the French fleet, which he described as the command of the Mediterranean—la maitrise de la Méditerranée. French resources, he said, did not permit France to rival Germany in her naval preparations, but they enabled her to command at least the western basin of the Mediterranean against the fleets of Austria and Italy, which he further declared to be the essential object. In his view the disembarkation of an army corps properly equipped and supplied on the channel or Atlantic coast is not an enterprise to be feared. It would present too many risks, in view of the presence of the coast flotillas and the length of time it would take. Even if it partially succeeded, the invaders would encounter the land forces, and unless they would seize some fortified place, in which they would be invested, they would be lost. Therefore, M. Painlevé regarded the hypothesis of an invasion by sea as chimerical, and moreover as promising to change in no respect the result of the war on land.

This author goes on to show that the effort of France is to maintain supremacy in the Mediterranean, and he points out that France, the ally of Great Britain, is also the ally of Russia. Surely the descendants of the old British stock in this country are not afraid! The descendants of the men who long ago heard of the Russian scare and the Russian bear, the descendants of the men who heard of the French scare when Napoleon had the nations of Europe on their knees before him, and when the French flag floated from every citadel and every capital in Europe; surely the descendants of the men who have had to face problems such as those will not be scared by Germany to-day. France is the mistress of the Mediterranean. Britain has nothing to fear from Austria or from Italy; and Austria and Italy are the allies of Germany. Therefore, England has with her her old time foes. She has France and she has Russia and is sure to obtain support should an emergency arise. But that emergency, speaking from what I can see in perusing these somewhat dry statistics, does not present itself; England is in no fear of an invasion, and never was,—Germany would never attempt it. But the British sailor is not what he was, the British Admiralty is not what it was at Trafalgar and elsewhere, if it can be said that, man for man, and ship for ship, England could not meet and overcome German invaders. We look upon Trafalgar as the crowning feat of the British navy, accomplished by Lord Nelson with twenty-seven ships against thirty-three possessed by his opponent. If British men to-day are not able, with practically two ships to one to meet a German invader, then it is not the paltry contribution of thirty-five millions of dollars from Canada that will put heart into them.

Another phase of this discussion brought to our attention by the introduction of this memorandum in the House, is that Great Britain is forced by circumstances to abandon the oversight of her colonies throughout the world, to reduce her fleet on overseas stations and also in the Mediterranean and concentrate in home waters. Now, the proof we have that England can afford to do that, is that England is doing it. In doing it probably, we may assume, she is acting on the advice of competent men, men who, I am sure, we will admit, are as competent as we are to decide questions of strategy,—to say how many ships should be in the home waters, how many in the North Sea, how many Gibraltar should have, and how many Malta for their base, how many should be sent to Chinese waters and how many to other parts of the world. Surely, we are not going to attempt to decide whether the position taken is right or not, for it is a matter of internal concern, a matter that concerns the British Admiralty and the British Government. What we are concerned with here more particularly is that portion of the memorandum which refers to naval supremacy of two kinds—general and local. We are not cencerned with the local superiority of Great Britain, for she looks after that herself, she has done it before and she can do it again. What we have undertaken to do, and what I think is our duty and what the Canadian people want to do, I believe, if they are properly enlightened on this question, is to look after the general supremacy of the British navy and not the local supremacy. The question of local supremacy we leave in the hands of the prominent statesmen and the progressive people of those noble races, the Irish, the Scotch and the English. But it is a part of our duty, and should be our concern, to assist in solving the problem of the general supremacy of Greater Britain. This is our duty because in the galaxy of nations forming the Empire, we occupy the first position. We occupy it by the extent of our territory; we occupy it by the races that people this country; we occupy it by the resources at our disposal; we occupy it by the advantages which Providence has bestowed with a bountiful hand upon this northern half of the North American continent inhabited by the scions of the first races of the world united together in the rivalry that means union and not disunion. And that our duty should be ready to fulfil.

With what has occurred in recent years the House is familiar and I will refer to it but briefly. In 1909, the hon. member for North Toronto (Mr. Foster) delivered what has ever since been looked upon as one of the memorable speeches of this Parliament, declaring that the time had come when Canada should undertake the naval protection of Canada. Why had not this been done during the previous years of Confederation? Why had it not been done during the twenty or twenty-five years during which our political opponents were in control of Canadian affairs? Because the resources of Canada did not permit it, and we relied on the protection of the British fleet. Also, we were on friendly terms with the United States and had no complications in view. But the time had come when this motion was to be brought forward. It was brought forward at an opportune moment, after it had remained upon the Order Paper for about two months. I had good knowledge of the procedure of the House at that time, because it was given to me to call up these motions day after day, week after week, and month after month, as happened in the case of the

reciprocity debate. The matter was brought up at a time when the attention of the Empire was riveted on naval matters; when Mr. McKenna had just made his startling statement that Britain was at a disadvantage and that a German invasion was possible. And what did we say? Political leaders on both sides united to adopt a policy of co-operation for the defence of Canada and, of the Empire. Unfortunately, that state of affairs does not exist to-day. The Canadian Government of that day attempted to make a beginning commensurate with the resources of Canada. The representatives of the Government went to England and asked the Admiralty what was best to be done. The Admiralty, speaking as a body of that kind naturally would speak, suggested the making of one fleet. One fleet exists in Russia, one fleet in France, one fleet in Germany. But in Great Britain that state of affairs could not be achieved, and I will give you the words on that point of Mr. McKenna, the predecessor of Mr. Winston Churchill, to show you how very different a position the British Empire occupies from that of any of the other nations I have mentioned. Mr. McKenna spoke of the nations within the Empire that had made fleets and of those that, on account of limited resources were not able to establish fleets and had undertaken to make contributions. Students of history must admit that the man who lives under the British flag is satisfied with his lot, because there he finds justice, liberty and advantages not to be obtained in any other part of the world. Every member of the family was willing to help; some were ready to offer ships, others money; others were willing to undertake housekeeping on their own account by building a navy, and Canada was one of these. These are the words used by Mr. McKenna in the memorandum:

> In view of these circumstances, His Majesty's Government considered the time was appropriate for the holding of a conference to discuss afresh the relations of the dominions to the United Kingdom in regard to the question of Imperial defence, and on the 30th April sent an invitation to the Defence ministers of the four dominions and the Cape Colonies to attend a conference under the terms of resolution 1 of the conference of 1907, to discuss the general question of the naval and military defence of the Empire, with special reference to the Canadian resolution and to the proposals from New Zealand and Australia.

This is the important paragraph, and one which I would like to see in the hands of every Canadian voter, so that he would become familiar with this intricate question, and realize what it means to thoroughly organize the naval defence of the Empire. (Reading):

> If the problem of Imperial naval defence were considered merely as a problem of naval strategy it would be found that the greatest output of strength for a given expenditure is obtained by the maintenance of a single navy with the concomitant unity of training and unity of command. In furtherance, then, of the simple strategical ideal maximum power would be gained if all parts of the Empire contributed, according to their needs and resources, to the maintenance of the British navy.
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> It has, however, long been recognized that in defining the conditions under which the naval forces of the Empire should be developed, other considerations than those of strategy alone must be taken into account. The various circumstances of the overseas dominions have to be borne in mind. Though all have in them the seeds of a great advance in population, wealth, and power, they have at the present time attained to different stages in their growth. Their geographical position has subjected them to internal and external strains, varying in kind and intensity. Their history and physical environment have given rise to individual national sentiment, for the expression of which room must be found. A simple contribution of money or material may be to one dominion the most acceptable form in which to assist in Imperial defence. Another, while ready to provide local naval forces, and to place them at the disposal of the Crown in the event of war, may wish to lay the foundations upon which a future navy of its own could be raised. A third may think that the best manner in which it can assist in promoting the interests of the Empire is in undertaking certain local services not directly of a naval character, but which may relieve the Imperial Government from expenses which would otherwise fall on the British Exchequer.
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> The main duty of the forthcoming conferences as regards naval defence will be, therefore, to determine the form in which the various dominion governments can best participate in the burden of Imperial defence with due regard to varying political and geographical conditions.

The British Government is a changing institution; men disappear, but the traditions of the Admiralty Board remain. Here is an admission that concentration of the British fleet would be a fatal mistake; that the mobilization of naval forces in the North sea, the danger point being elsewhere, would be a false move. Authors declare that the weak point of the present policy of the Admiralty is that there may be over-concentration. We, however, are not concerned with that; we are concerned primarily with our own duty, and our duty is to defend Canada. In defending Canada we defend the Empire, and in defending the Empire we protect for the Canadian people all those benefits and advantages which they wish to obtain and to hand down to succeeding generations—the respect of the rights of a British subject; the protection of his life, liberty, and all the privileges dear and sacred to him. These

are all found under the British flag, and for that reason this present Government should submit to the people the broad question whether seven and a half millions of Canadians—aye, nearly eight millions—are competent to frame a policy suitable for Canada and the Empire, or whether we are to get the mandate from the Admiralty Board or from one of the sub-ministers employed in that office. I consider that the Prime Minister of Canada is making a grave mistake in imagining that because we are contributing $35,000,000 and obtaining a voice in the control of England's foreign policy, he is conferring a boon on this country. Generally, the reverse would be the desirable position. I think it would be worth $35,000,000 to Canada were she to keep out of European politics and complications—to keep out of diplomacy with China, Persia, Japan or any land in which we have no business interest except that which has a bearing upon Canadian affairs. Everybody knows that England can rely on Canada. If she were in danger in the Pacific ocean; if she were in danger in the Atlantic ocean; if she were in danger in the south, there would not be a Canadian worthy of the name who would not come forward and do what Canadians have done before, and freely, throughout a century of Canadian history. We are the best judges of the conditions that prevail in Canada; we know what would be the result on this North American continent of a false move on the other side. We do not wish to be left alone in the Empire; we desire to assume our share of the Imperial burdens; but we do not want to be misled—I use the word not in an offensive sense—by the theory that because a member of the Canadian ministry goes to London as a member of the Imperial Defence Committee, he would be consulted upon all matters affecting war or peace. Can any one imagine that at a critical period—at a time when war might be declared, as it was in 1870 by the sending of that famous telegram from the Ambassador to the French Emperor to the German Chancellor—can anyone imagine, I say, that in such a case, or in any matter affecting peace or war, the British Government would consult the representatives of Canada, Australia, New Zealand, or South Africa? We are not living in a fool's paradise! Surely no man who has given the matter any consideration will consider that this representation would mean anything to us. It would only be a source of great embarrassment to the British Government.

The Prime Minister has spoken of co-partnership with the Empire, of a closer union with the Empire, of a closer discussion, of assuming part of the burden; not the financial burden, because that is nothing, but the burden of declaring peace or war. The right hon. the Prime Minister of Canada is an ardent Imperialist. This is a free country and we live fortunately in a century wherein liberty of speech and thought prevail. The Prime Minister of Canada is free to have whatever views he likes in regard to closer connection with the Empire. I may have my views, every gentleman in this House may have his, but before we enter into this new arrangement, before we undertake to pay this money which we are not authorized by our people to pay, before we enter into this bargain to pay $35,000,000 to obtain admission even by a side door to the council of the foreign policy of England, I want to call attention to what became two years ago a proposal made by another great Imperialist, Sir Joseph Ward. Sir Joseph Ward too was an ardent Imperialist, a man who would have favored the policy that has been preached by the jingo papers of Canada and England during the last year. If he had been in Canada he would have been a member of the old Imperial Federation League that used to meet in the Railway Committee annually for about ten years and finally died a natural death. What became of all the dreams and proposals of these gentlemen? They all disappeared in thin air. Here is a concrete proposition from a man representing New Zealand, one of the most advanced of these so-called Imperialist states. New Zealand occupies a different position to us. She is an island in the southern Pacific; she has close at hand other islands on which Germany and France and other nations have a footing. Within a few hours sailing on the other side is the great eastern problem of Japan and China. New Zealand may be attacked at any time. Therefore New Zealand was anxious to have a closer union with the Empire, and, not being able at the time to organize a fleet, it organized a dreadnought. But what did the Prime Minister of New Zealand want?

That the Empire has now reached the stage of Imperial development which renders it expedient that there should be an Imperial council of state——

Well, we are not going to have an Imperial council of state, but a council of defence which is not quite so important; an Imperial council of state would be something whereas the committee on defence is merely an advisory board, as has been explained. (Reading):

—with representatives from all the self-governing portions of the Empire, in theory and in fact advisory to the Imperial Government on all questions affecting the interests of His Majesty's dominions overseas.

And what were the points on which this resolution rested?

1, Imperial unity; 2, organized Imperial defence; 3, the equal distribution of the burden of defence throughout the Empire; 4, the representation of self-governing overseas dominions in Imperial Parliament of defence for the purpose of determining peace or war, the contributions to Imperial defence, foreign policy as far as it affects the Empire, international treaties so far as they affect the Empire, and such other Imperial matters as might by agreement be transferred to such parliament.

This was the proposal on a grand scale, in a grand spectacular way, of the creation of a new board of Empire, a new imperial parliament, holding sway over the maintenance of its defence and of its unity and for the discussion of all questions affecting the Empire at large. That proposal of Sir Joseph Ward was on a much larger scale than the proposal the Prime Minister makes today, and what became of it? It was shipwrecked, it met with universal condemnation from the representatives of every colony there; and I feel justified in again quoting the few words that fell from the mouth of Mr. Asquith, the present Prime Minister of England:

Sir Joseph Ward in an extremely able and interesting speech had brought forward a concrete proposal, but no representative of any other dominion had been able to accept it. What would Sir Joseph Ward's scheme come to in practice? It would impair, if not altogether destroy, the authority of the Government of the United Kingdom in such grave matters as the conduct of foreign policy, the conclusion of treaties, the maintenance of peace or the declaration of war. The responsibility of the Imperial Government subject to the Imperial Parliament in these matters could not be shared, and the co-existence side by side with the Government of the United Kingdom of this proposed body with the functions and jurisdiction which it was suggested should be entrusted to it would be fatal to the present system of responsibility. The proposed body would further have power to impose upon the dominions a policy from which one or more of them might dissent, which in many cases would involve expenditure, and that expenditure, would have to be met by taxation, although the people of the Dominion might not approve the policy. Speaking for the British Government they could not assent to a proposal so opened to the fundamental principal on which the Empire had been built up and carried on.

Speaking for the British Government, the Government who sent this memorandum not at their own volition, but at the urgent request of the Canadian Prime Minister:

Speaking on behalf of the British Government, they could not assent to a proposal so opposed to the fundamental principles on which the Empire had been built and carried on.

That is the closing chapter of that phase of imperialism. We may have to deal now with another chapter in our representation on the other side by a Canadian minister; but I do not think that can be taken seriously. I would pity the Canadian minister who would be sent over there if he had first of all to become familiar with the various branches of British policy; it would take him a lifetime and might interfere very much with his happiness. But what would become of the Canadian minister once he had attended this committee of defence? Would he be responsible to this Parliament? We are to pay his salary and expenses; under our constitution the ministers are responsible to this House and we are responsible to the people. Would this minister return here to make an annual report or would we be consulted on this report? Would we have to revise the decisions that he had arrived at, or would he have the power to hold up the hand of Great Britain until this Parliament had been consulted as to whether there should be a new delimitation of the frontier of Abyssinia? A complication arose there yesterday, according to the papers; for the tenth or twelfth time the unfortunate happening of the death of Menelik, King of Abyssinia, has been announced. This time it is taken for granted that the old man is really dead. He was an important man, the king of kings in his country. He had a treaty with Great Britain; it stands first on the list, as it begins with 'A,' and one of the important clauses in that treaty is that the caravan route is to be maintained through the mountain passes of Abyssinia and to be open to British subjects—and to the Canadian representative, if he goes there to inquire on the ground into this important question. Will this minister act in camera and without the authority of this Parliament, or will he be there to assume responsibility for war or for peace? If he assumes the responsibility for war, we shall have to back up the undertaking; we shall have to tax the Canadian people for the cost of that war, no matter what it is. I have great faith in the British people. We believe that Great Britain will never carry on a war of aggression. She has every interest in the world not to carry on a war of aggression, because she is in a commanding position, and has every interest to maintain peace. But supposing she does carry on a war of aggression, or any kind of war, will any member of our Cabinet be authorized to endorse the declaration of war, and if he does endorse that declaration shall we back it up with the taxation of this country? If he is consulted about the declaration of war, will he report here and shall we wait until

his report comes to the House? Will it be referred to a special committe to be investigated; or will it be reported upon by the Department of Justice to ascertain whether it is in conflict with the present constitution of Canada? Mr. Speaker, I do not want to use unparliamentary language, but to me the proposition seems utterly ridiculous. We have no business to meddle in the foreign policies of the Empire; the Empire is well able to look after itself. But what we want to do, what we have done, and what we should continue to do in matters affecting Canada is to insist that no decision shall be reached until Canada has decided through its properly constituted authorities what should be done. As regards contributing towards the maintenance of the Empire, we are contributing now. What would the prestige of the British Empire be if it were to lose its North American possessions? Is Canada not the brightest gem in the British Crown? Is there a man who is prepared to say that, if at a pinch England needed help to-morrow, Canada would not jump into the breach and give assistance freely, give her money, of her blood, and of her vessels if necessary. But that fortunately is not necessary at the present time. Unfortunately, we have not reached the millenium. Instead of carrying out the precepts laid down twenty centuries ago, the nations of the earth are still carrying on the practices of the past. But as one statesman has remarked, the wars of old, which were practically a permanency, are prevented to-day by the maintenance of huge armaments. It is only by the maintenance of huge armaments that wars are prevented, and I prefer the maintenance of huge armaments to the ruthless massacres which took place in olden times.

I do not wish to dwell further on this question; I just want to look at the last phase of it, and to show how this Parliament is not in a position at the present time to pronounce upon the matter. First of all, we do not think that the Empire needs this contribution. The Empire is rich, and has a powerful fleet, and she is doing the best she can to meet all exigencies. The Imperial Government says there is nothing to fear, and the British Opposition accept that declaration. The sending of three empty war vessels, the maintenance of which will have to be paid for by the British taxpayer, would be no solution of the problem of Imperial defence, Imperial unity and Imperial progress. We have not the knowledge, if we have the willingness, nor the competency to judge that such action is necesary at the present time. Coming as I do from the mother province of the Dominion, I desire to point out that we had a variance in the last election which gives me the impression that we are not yet prepared to pronounce upon this question. On the other side of the House sit a number of members of Parliament who gave to the constituencies which elected them the understanding that there would be no contribution of any kind, naval or otherwise, until the people of Canada had been consulted. I know it has been denied before, but the facts are there, the newspapers are there, and the people who heard those declarations are there. The undertaking was given by a considerable number of members who sit to your right, Mr. Speaker, that no Canadian navy, no undertaking of that kind, would be entered into, so far as they were concerned, until the Canadian people had been consulted. At their head was the member for Jacques-Cartier (Mr. Monk), who, we are sorry to see, is absent from this House through illness, but whose presence, and whose contribution to this debate would have been of great value. That hon. member has occupied a prominent position in this House. I think he is the sole survivor of the Conservative party elected in 1896 in the province of Quebec. He is a man who, whenever he has taken part in debate, has taken an exalted view, and given valuable information to this House. He took the stand two or three times during the last Parliament that there should be no contribution and no Canadian navy until the people had been consulted. The dissolution of Parliament took place, the member for Jacques-Cartier was re-elected in his own constituency on that platform and on that promise; he came here, and he kept his word. When the Prime Minister submitted the Admiralty memorandum to his colleagues, the member for Jacques-Cartier said: 'I have made a promise to my electors that I will not vote for this contribution, or for any other contribution, before they are consulted, and before the matter is laid before the Canadian people.' He adopted the constitutional course of handing his resignation to the Prime Minister, and he retired from the Government, but he still remains a member of this House, and, as I have said, it is unfortunate that he is not here to give us the benefit of his views. We all hope that before the end of the session he may be in a position to return.

With him, in the province of Quebec, was one of its brightest newspaper men, a man who was formerly a member of this House, who at one time occupied a prominent position in the Liberal party, who seemed to be a promising man in our ranks, but who became estranged from us because his views differed from ours. I have not time to condemn or approve of the course he followed; all I need say is that he broke away from our party for one reason or another, and became, as he styled himself, an Independent. He found in the programme of the hon. member for Jacques-Cartier what was necessary for his purpose. He accompanied

the member for Jacques Cartier to various parts of Quebec, and being a gifted speaker, a hard worker, a man well posted, a capable man in many respects, he attracted great attention throughout the province of Quebec. He made promises that are in black and white; they cannot be denied. He reiterates them to-day. 'We promise the people,' he said, 'that before any undertaking of this kind is entered into, by one or other of the political parties the people of Canada should be consulted.' The election took place, a number of members were returned to this Parliament from the province of Quebec, and they sit to-day at your right, Mr. Speaker. They will have an opportunity during the course of this debate to explain their position and they owe it to themselves, they owe it to their constituents, they owe it to the political traditions which have prevailed in this country, to explain their position. I have no right to know what that position is at the present time. We shall know when the time comes, we shall become acquainted with it in the regular manner but in the meantime, would I be allowed to give the conclusion of an article which appeared some weeks ago from the pen of the gentleman to whom I referred to a moment ago? That man, it is needless for me to say, is Mr. Henri Bourassa. Mr. Bourassa has been a consistent opponent of contributions of all kinds to the Empire without the people being consulted, and he has continued in that policy. During the last campaign he and his ally, the hon. member for Jacques Cartier, had immense meetings all through Quebec. If living witnesses were required by the thousands they could be had to testify to that statement. Mr. Bourassa has published a number of articles, always interesting reading, although we do not always agree with them, but here is one that was published on the 11th December, 1912, in Le Devoir. It is headed

Naval Policy of Mr. Borden as Nefarious to-day as it was yesterday.

He condemned the proposals of the late Government, he condemned the proposals of the present Government and then went on to give his reasons, the effect of which is that no action of this kind should be taken until the people are consulted. Let me read the concluding part of the article:

The one is only the second edition, considerably increased, but not corrected, of the other. The figure of the contribution is almost double, but the principle and the motives remain the same.

This is more than ever the nefarious policy condemned at St. Eustache, St. Henri, St. Remi, Grand Mère, Longue Pointe, Montmagny, Nicolet, wherever the resolutions of St. Eustache were read and reread and ratified by the raising of hands and patriotic acclamations.

It is the policy which was crushed at Drummond-Arthabaska, as well as that of the Liberal party. It is the policy which Mr. Monk opposed with us from the time of his speech at Lachine to September 21, 1911. It is the policy denounced by Messrs. Nantel, Coderre, Pelletier, Blondin, Sévigny, Lespérance, Guilbault, Bellemare, Boulay, Lavallée, Paquet, Rainville, as well as by Messrs. Achim, Barrette, Lamarche and Mondou.

These gentlemen are all members of this House.

And in this denunciation they were supported by Messrs. Tellier, Patenaude, Cousineau, Plante, Renaud, D'Auteuil, Girard, Lafortune, Conservative members of the legislative assembly, as well as Messrs. Lavergne, Prévost and Bourassa. That policy, we continue to denounce and oppose, because we find it to-day as we did yesterday, false and bad. It is in our eyes like the Laurier Act, contrary to the principles of responsible government for the future of Canada, contrary even to the true interests of the Empire, whose equilibrium it breaks.

And to-day, as before the second reading of the Laurier Act, I do not hesitate—I, who have gone back on nothing—to say to the representatives of the people, to those especially who have taken the solemn engagement to accept no legislation of this nature without its being submitted to the people, you have no right to vote this law without consulting the people.

(Sgd.) Henri Bourassa.

If we are to accept the evidence of this gentleman—and there is no reason why his evidence should not be accepted by gentlemen on the other side of the House, because he fought last election side by side with them—then, if the members of this House are pledged to a policy of that kind, we are wasting our time here, because, what would become of the Administration if these gentlemen opposite, so-pledged, were to vote against it on this the most important question which has ever been brought before the Canadian people? Instead of silence from the Government benches, we should have further explanation and more light. The people of Canada, the people of the province of Quebec, the people of the constituencies represented by these gentlemen, are entitled to know if they are right and if Mr. Monk is wrong. It is the duty of His Majesty's loyal Opposition to see that this matter is sifted to the bottom. We want the Canadian people to know that once a man is elected to this House, he must live by the promises he has made to his electors.

We know that the Canadian people will not shrink from the duty which rests upon them, if duty there is, in the maintenance of the Empire. So far as I am concerned, no case has been made out to show me that Great Britain is in any need of this money. Great Britain has never asked for it; Great

Britain is humiliated in the eyes of the world by this contribution being offered. Canadians have a nobler and higher duty, than by the payment of $35,000,000 to get away from their responsibility for the defence of this territory by land and by sea. When the Fathers of Confederation went to London and asked for the British North America Act, the palladium of the liberties of the Canadian people, they assumed responsibilities for which we, their political descendants, are responsible. It is our duty to carry out the bond entered into with the British Government when Great Britain gave us our liberty. We undertook to defend this part of the Empire, and no Canadian worthy of the name will fail in that when the hour comes. And, Sir, if I know His Majesty's loyal Opposition, it is determined to stand by that duty until the final verdict has been pronounced by the Canadian people.

Mr. E. M. MACDONALD (Pictou): Mr. Speaker, the subject which is engaging the attention of the House was first submitted with a great flourish of triumph by the right hon. the Prime Minister on the 5th of December last, and it was received by the Conservative newspapers with great shouts of acclaim. When this session of Parliament opened, the Prime Minister did not display very great haste in bringing down this measure, which he announced was the sole and only reason why he had called Parliament together before the Christmas holidays. When he did present it to Parliament on December 5, he did so in irregular form, and the discussion was consequently delayed for another week, and when Parliament rose for the Christmas holidays, we had only discussed the subect for six days. Then, after the holidays, it was discussed again for two or three days, but other matters, evidently of greater importance to the Government, were brought forward and the contribution proposal was treated by the Government as though it were of no importance whatever. Were I to use the ornate phrase adopted by the Minister of Public Works earlier in the session, I would say that the reptile press supporting the Government of this country are now demanding that this Parliament should proceed immediately and without further delay to vote on this measure. And that, mind you, Mr. Speaker, in face of the fact which is not understood outside this House, but which is very well understood inside the House, that up to this day this great measure of the Government has never been regularly introduced to the House, and that the first reading of the Bill has never been regularly had in this Parliament. What we are discussing now is not this much-heralded naval measure but a resolution preliminary to the Bill, which ought to have been introduced on the 5th of December last. The fact is, that the Bill which we are told now by the Conservative press should be immediately passed without further discussion, has never regularly come before this Parliament at all.

I have been waiting for the promised utterance of the Minister of Finance, (Mr. White), who intimated some time ago that he was going to tell us how the Empire was to be saved, as a result of this measure. He was not satisfied with saving Canada; that was too small for this legislator who has only been in Parliament for a year and a half; his task was to show not merely the people of Canada but the people of the Motherland, what was in the interests of the Empire, and how the Empire could be saved. He is rather tardy in commencing this large order. There are statesmen who know something about the Empire and something about the duties and relations which this family of nations owe to one another, and these men have spoken on the subject, and before the Finance Minister makes any headway with his ideas, he will have to show that Lord Milner is entirely wrong as to what the relations between Canada and the Empire should be. The Minister of Finance, who has been in public life for a year and a half, purposes telling the people of this Empire that he knows more about empire-building than Mr. Deakin, ex-Prime Minister of Australia, or than Mr. Fisher the present Prime Minister of Australia. The Finance Minister leads the people of Canada to think that on this question of the naval relations which should exist between the colonies and the Mother Country, he knows more than Lord Beresford ('Condor Charlie'), who is supposed to be the darling of the Unionists in Great Britain, the fast friends of hon. gentlemen on the other side of the House. I would suggest to the Minister of Finance that even though his task is a hard one, he should enter upon it at once and let us hear what he has to say about it.

Then, are we not to hear from the Minister of Inland Revenue, (Mr. Nantel)? Those of us who were in the last Parliament remember his sturdy form and the vigorous way in which he denounced anything that was proposed in this House whereby Canada might give anything to the Mother Country for purposes of naval expenditure. Not only is the Minister of Inland Revenue bound to explain what he stated in this House and to the country before, but he ought to explain to this House and country why he should be here as a Minister of Inland Revenue to-day. The Secretary of State (Mr. Coderre) also should tells us not only why he is sitting there now, but how he came to be there at

all. And as for the other hon. gentlemen opposite whose former utterances on this subject are matter of record, their task and their duty is so evident that it will be a mere adopting of the policy of the ostrich—hiding their heads in the sand in hope that nobody can see them—for them to remain silent; silence will avail them nothing. As to those hon. gentlemen opposite who have not spoken on this question, I can only suppose that they have taken the admiral's advice in Pinafore:

> Stick close to your desks and never go to sea,
> And you all may be rulers of the King's navee.

But there has been an absolute failure on the part of these hon. gentlemen to justify the anomalous position they occupy to-day and which runs counter to all the traditions of the Empire from the time the American colonies separated from it. Their silence does not alter or conceal the fact that we are dealing with one of the most serious problems ever brought before this Parliament, a problem whose effects will be felt not merely in our own days, but throughout the future history of Canada. And hon. gentlemen opposite cannot escape responsibility for the seriousness of it by silence. We must approach the discussion of this question fairly and manfully.

Those of us who have had the honour of places in previous parliaments know that this question has been before us for four years in various forms. Hon. gentlemen opposite must concede that there are men in this House who have some belief in the future of this country, men who are animated by something higher than desire for mere party success, men who have hoped, during all the time they have been honoured with seats in Parliament, that they might do something in order that the tie that binds this great nation and the other nations composing this Empire, may be maintained for all time strong and indissoluble. That is the aspiration of some of us here in Parliament, and it is from that standpoint that I would like to discuss the matter. It is the fear that measures like this may imperil that tie and bring about conditions in which we shall not be able to maintain the connection with the Empire which our fathers have handed on to us and which we ought to endeavour to hand on to our children unimpaired, that makes us regard this as an issue of the gravest importance. We have had fifty years of national life, fifty years during which we have been working under the conditions granted us by the Imperial Parliament in which are laid down in clear words the rights, the powers of this Parliament, and the status of the Canadian people. As to the particular phase of power of Canada which we are now considering, it was not until 1910 that we passed a naval law, attempting to exercise the powers conferred upon us by the British North America Act.

In 1867 it was declared that this Parliament should have exclusive control for the peace, order and good government of this country of all matters relating to the military and naval services of this country; and it is by virtue of that fact that the power was given us in 1867 that Parliament must move to solve this problem to-day. We dealt with the question of the militia in 1868; we dealt with it on lines which have been apparently satisfactory since that time. The militia, constituted and paid for by the Canadian people, attend to the peace and good order of this country, and as we showed in 1900, are available in times of war for the aid of the Mother Country. In 1910 we proposed to exercise the right further conferred upon us in 1867 by the constitution of a naval service which would bear the same relation to this country that the militia service has borne for many years. But hon. gentlemen opposite come along to-day with a proposition that is out of touch with the conditions that were laid down in 1867, and that involves our taking a course quite different from that which the fathers of Confederation, Macdonald and Cartier, regarded as the proper course to pursue—and to that I will refer at greater length later on.

We are dealing here to-day with an entirely new proposition concerning what Canada ought to do in regard to naval service in her own interest and in the interest of the Empire. As I have said, we are not legislating for to-day, but for all time; and the lines upon which we proceed in the determination of this measure are those which will direct our course in future years. For my hon. friends opposite have included in this proposition the repeal of the naval law which was passed in 1910. True, the measure is not before Parliament in those exact words, but the announcement made by the Minister of Naval affairs to the effect that the policy of this Government is to do away with this law means that we are departing from the principle that we should inaugurate in this country a system of naval defence for Canadian purposes. These hon. gentlemen are putting this forward as a solution of this problem; they seek to provide that we shall solve that problem by means of contributions. The issue then is: Contribution or no contribution, as the determination of this question for all time. What is the effect, in a general way of this legislation upon our future? In dealing with this problem we must decide to do one of two

things,—either we are to continue to be one of a collection of nations making up the Empire, each in its own way and under its own conditions working out its local problems while joining with the others in time of stress; or we must confess that we have no men, no artisans, no capacity,—that instead of doing our part as the Australians are doing theirs we are willing to give up the status of nationhood and hereafter become in a most important particular, subservient to other nations within the Empire for all time to come. That is the proposition. What will the Canadian people of a future day say to us? I assume that every man in this House to-day has caught the spirit of Canadian enthusiasm, a spirit that has more than ever taken possession of our people within the last ten or fifteen years—that pride of country, the certainty of our future, that animates our people in every walk of life, that caused us to progress in a material sense in a way far exceeding all previous time in our history. Is that progress to stop? Is our population to stand still or decrease, or is it to increase as time goes on? What will the self-respecting Canadian of future times, when this is a country of fifteen or twenty millions of people, say about those who in this debate have decreed our inability to stand up as men and as Canadians before the whole Empire? Will he then without any dockyards or ships, either naval or merchant, be content with this defenceless position within the Empire? Will he act on this principle, or will he assert his independence? If the hon. gentlemen will not give voice to their opinions on this matter they should at least consider whether or not the Prime Minister was correct when he declared in 1909 that the chief evil which he recognized in the contribution system was that it tended towards severance of the ties that bound this country to the Motherland. Will the Canadian of 1925 be proud of the Prime Minister who made the statement that contribution meant separation, and then deliberately proposed to solve the problem of naval defence by making a contribution? I submit that we should remember our responsibility, and, as true friends of Empire maintenance so act that there may be no question in the future that the conditions created and the status maintained will comport with the patriotism and pride of the Canadian that is to be. That is the duty we must fulfil at this stage and we are lacking in serious regard for the great interests of our land, as well as its future, if we fail—and we will fail if this proposal set forth by the hon. gentleman opposite is followed out.

There are only one of two courses to be followed. My hon. friend talks about the deliberation in regard to a permanent policy, and I would remind hon. gentlemen that he has been deliberating since 1909—four years ago—and that he has changed his mind three or four times during that period. When in England my hon. friend told those with whom he came in contact that he always had one opinion on this question, and the opinion he expressed at a dinner at the Colonial Institute was one he never gave expression to in this House. The English ship-owners hailed the arrival of the new customer with great delight as they saw the dividends they were to receive. There is, as I have said, only one or two courses to be followed —either contribution, or Canadian ownership and construction. We must either provide for a Canadian navy, or inaugurate a policy of contribution—there is no middle course. Notwithstanding the platitudes of hon. gentlemen opposite in regard to formulating a permanent naval policy they may think until doomsday, but only two things will ever come to them—either the policy of a Canadian navy or the policy of contribution. My hon. friend's assumed pose on this question, and his desire to lead the people to believe that his brain is working out some ponderous idea, and that eventually he will evolve something on this question, is all mere pretext; there is not even a hybrid policy involved. He tells us that Canada will have her voice in the councils of the Empire and until that is accomplished, and Imperial federation is arranged for, we ought not to have a permanent policy. Anyone who, in addition to studying English conditions, has sat in the gallery at Westminster and watched the struggle that is going on in England to settle the problem of democracy of that country; any one who knows how the machinery of the Imperial Parliament is clogged in this respect; anyone who reads the English 'Hansard' and observes the varied considerations that come before that Parliament, sitting, as it does, almost ten months in the year; any such person knows that under present conditions, Imperial federation is a long, long way off, and that it cannot be worked out until some scheme of self-government of the component parts of the United Kingdom is evolved. When my hon. friend says that nothing can be done until Imperial federation is realized, he either desires, on account of his late alliance with the Nationalist element in the province of Quebec, to escape all further responsibility in regard to the naval question, or he is attempting to deceive the people of this country with the idea that he is looking forward to some patriotic accomplishment, and that when that patriotic accomplishment takes place,

all these problems will be solved. If my hon. friend is waiting for Imperial federation to be consummated before he propounds his permanent policy, then the policy will never be propounded. Possibly he hopes to escape from the rather nasty position he occupied in 1910 and 1911, when, in order to attain power, he went back upon his position in respect of a Canadian naval service, in order to secure the support of the reactionary element in one of the provinces of this country. Let there be no mistake about it; in this proposal the Conservative party do not intend—as the hon. member for Brantford (Mr. Cockshutt) has said, and as other hon. gentlemen who argued against a Canadian naval service meant, if they did not give expression to their thoughts—the Conservative party of this country, led by the present Prime Minister, do not intend at any time to have a Canadian naval service; they propose to solve this question by a continual policy of contribution.

Mr. COCKSHUTT: I think my hon. friend is mistaken when he says that I used such words in respect to the permanent policy of the Government.

Mr. MACDONALD: I am quite sure my hon. friend would be delighted if he were in a position to commit the Government in respect to certain matters, but as he is not, I did not refer to any language of his as so committing the Government. If my hon. friend is not a good friend to this Government, if he is not thoroughly in touch with it, or desires to intimate to the House that he thinks one way and the Government thinks another, I would like my hon. friend to tell me so.

Mr. COCKSHUTT: I am quite content to let the language I used speak for itself. I am sure, however, the hon. gentleman cannot show that I used the language he attributed to me in the first instance.

Mr. MACDONALD: I shall look at 'Hansard.'

Some hon. MEMBERS: Oh, oh.

Mr. MACDONALD: Let us see what all this amusement is about. Is the hon. member for Brantford not in favour of a policy of contribution? Does he not think that is the solution of this question?

Some hon. MEMBERS: Take it back.

Mr. COCKSHUTT: If there is a crisis that calls for an immediate contribution; I said our policy at present is an immediate contribution to meet an emergency.

Mr. MACDONALD: What about the future policy?

Mr. COCKSHUTT: I said it would be thought over and brought down in due time. I said that the permanent policy would be brought down and, further, submitted not only to the House but to the people of this country.

Mr. MACDONALD: There is one advantage about this little episode. We have got a new word. Emergency was discarded by the Minister of Trade and Commerce (Mr. Foster); he spelled it out—n-e-e-d.

Mr. FOSTER: Was that not the correct spelling?

Mr. MACDONALD: Yes, but a rather bad spelling for emergency. It is a good old-fastioned Anglo-Saxon word that was not hard to spell; but by hon. friend was so anxious to show that he was not standing for any emergency theory that he called it need, and in order to emphasize the word he spelled it. My hon. friend the Minister of Trade and Commerce in the past has sometimes pursued an evasive course. I can remember in the session of 1911, when the hon. member for Jacques Cartier (Mr. Monk) moved an amendment to the address, and when his leader had moved a sub-amendment, my hon. friend voted quite loyally for the amendment of his leader, but when the motion in amendment of the member for Jacques Cartier was not put by the then Speaker, I have still a vision impressed on my mind of the hon. minister's coat-tails disappearing from his desk out through that door. Although his leader sat and voted for the resolution of the hon. member for Jacques Cartier, the Minister of Trade and Commerce would not stand for it.

Mr. FOSTER: Will my hon. friend now assert on his responsibility as a member that those were my coat-tails that he saw that day?

Mr. MACDONALD: There is no question about that; he made his exit through the door. My hon. friend would like, in that happy way of his, to jocularly evade the serious proposition with which I started out in regard to this matter; but my hon. friend was a little evasive on this question of emergency. Need was his theory. He will not deny that he declined to vote for the motion of the hon. member for Jacques Cartier; although his leader was quite willing to wait and did wait and voted for that resolution.

Mr. FOSTER: Perhaps it was a case of emergency that took me out.

Mr. MACDONALD: Perhaps we might adopt my hon. friend's word, need: he needed to go out, he wanted to go out. There has been a gradual simmering down since people began to see what had really gone on in the Motherland and the Minister

of Trade and Commerce is too old a hand at the parliamentary game not to know that the case which he was attempting to justify was too weak for him to pretend to seriously argue to this House, that there was anything that could be called an emergency. But my hon. friend from Brantford, in discussing this question, said exactly what I am saying now, that there is a very sharp and definite line drawn between the two parties on the question before the House. The policy of one party is that we shall have a naval policy, and the policy of the other is that the question should be settled by a contribution. This is what the hon. member for Brantford said:

> There is a very sharp line drawn between the naval policy of the Conservative party, as announced by the Prime Minister and the naval policy of the Liberal party, as set forth in the resolution of the right hon. leader of the Opposition. The Conservative policy follows the line I have suggested of making contributions to maintain the supremacy of the British fleet upon the high seas, and the Liberal policy of to-day seeks to enlarge somewhat on the Liberal policy of 1909 as embraced in the Naval Service Act of Canada.

Mr. COCKSHUTT: The contributions that are referred to; that was the word that was used.

Mr. MACDONALD: My hon. friends on the other side have shown such an absolute disinclination the last day or two to make any speeches that I think they will have to postpone any utterances till a later occasion. I would not want to call them up, or cause them to break in any way the instructions that seem to have been given by the First Minister that they were not to say anything.

Eliminating all this nonsense about permanent policy, because no other language can be applied to it, all this talk is intended simply to mystify and mislead the people of this country about a permanent policy. What we are considering to-day is a most momentous question, the question whether or not we shall reverse the whole history of the relations that have been maintained between the different nations of the Empire and the Motherland during the last fifty years, and shall take a position of absolute subserviency, so far as naval defence is concerned—never do anything for ourselves, but always go on and contribute to Great Britain in cash. That is the issue. It is just as well to have this issue defined clearly so that there will be no mistake about it; and if there is any hon. gentleman in this House who has confidence and belief that this country in the days to come is to attain to the greatness and the extent and the strong position we all hope it will, if there is any hon. gentleman who thinks that our children who may be in this House in 1930 will be prepared to stand up and declare that their fathers in 1912 and 1913 laid down a true policy when they said that Canada would be for ever destitute of dockyards or ship-yards or any of those conditions which are necessary to the success and prosperity of any nation, then I am sorry for the hon. gentleman who has that view. What has been the position of this country in regard to that question? There has been four stages in our history dealing with it.

At six o'clock House took recess.

After Recess.

House resumed at eight o'clock.

Mr. MACDONALD: Before six o'clock I was endeavouring to point out that the clear issue between the parties in this House at this time in regard to our future relations to the Empire with reference to naval defence, was whether our part would be better met by a policy of contributions or by looking after our own defence by the establishment of a Canadian navy to act in relation with the Imperial navy in time of war. I pointed out that any one who approaches the consideration of such an important question from the standpoint of a lover of the Empire, who wants to see that Empire maintained for all time, and Canada maintain her position within the Empire, peopled by a loyal and free population at all times devoted to her own interests and to those of the Empire, must realize that the menance to that future by reason of a contribution policy is of the gravest possible kind.

In order to consider this question with the gravity and care which it demands, I think it would be desirable for us to glance over the past history of Canada since 1867 with a view to seeing just what were the aspirations, views and ideas of the fathers of Confederation, and also of the different public men who have had to do with the settlement of great affairs since that time. We must remember, as a premise, that practically we are now adjusting finally our future policy in the execution of that power which was conferred upon us under the British North America Act, whereby we were authorized to legislate in regard to naval defence. In looking at the history of Canada we find that there was a period from 1867 to 1909 when Canada did absolutely nothing so far as naval defence was concerned, and Canada did not propose to do anything. During the greater portion of the period during which my hon. friends opposite were in charge of the affairs of the country, no statement is to be found in the debates or in the statutes of the country which would indicate that those gentlemen and their leaders, to whom they appeal when they desire to rally the spirits of their followers, ever proposed to do anything. A proposition of military defence was evolved in 1900

when the party to which I have the honour to belong and the leader whom I have the pleasure to support, sent to South Africa, the sons of Canada to fight the battles of the Empire. Then there was a second period beginning in 1909 when Canada, in conjunction with Australia, reaffirmed in this House by a unanimous resolution the principle laid down at Confederation and provided for the establishment of a local navy to be constructed, owned and manned by this, one of the nations of the Empire, just as Australia and other nations of the Empire proposed to construct, own, and man their navies, these navies to act in co-operation with the Imperial forces in time of war. That was the next step in the development of our relations in this particular regard and in the exercise of the privileges which were conferred upon us as a Parliament. Then came another period when the opposition to the Government of the day divided into two wings. One of them took the extreme view expressed in this House that Canada owed nothing to England, and that we were not called upon to engage, either by contribution or by the institution of a local navy, in any matter of naval defence, that we had no right to create a navy which was to act in co-operation with the Imperial navy in time of war. There was another wing, which in other parts of the country took an entirely different view, declaring that the proposals made by the Government of the day were wholly inadequate, and that the people of the country should be consulted before anything was done; and imagining they saw an emergency, they forthwith proposed to contribute $25,000,000 to the Mother country. Then we have to fourth period of development in regard to this matter, the period which we have now entered and which has evolved the policy we are now discussing, a policy of contribution as distinguished from a policy of construction. The Government of the day propose to solve the problem of our relations with the Mother Country in regard to naval defence and to exercise the powers conferred upon them under the British North America Act by a contribution. We on this side of the House declare that the policy which our leader inaugurated in 1909, the policy of construction within Canada of a navy, and of provision for dock yards and for all the implements which Canada as a component part of the Empire can supply for local defence, is the best exercise that can be made of our constitutional power, and the best service we can render to the Empire.

These are the four periods, and I propose to examine the conditions that applied to each of them. Reverting to the first period, we find that under the British North America Act, sub-section 67 of section 91, there was conferred upon the Parliament of Canada the exclusive right of legislating in regard to military and naval service and defence. It is clear that the fathers of Confederation contemplated that in the development of this country, great as it has been in excess of their visions, the time would come when Canada would be called upon to do in regard to naval defence what they themselves with Sir George Cartier proposed to do in 1868 with regard to defence on land when they passed the Militia Act. That was their view point, and the Conservative leaders during subsequent years steadfastly refused to consider any proposition which involved a contribution of money or of men to the Mother country. So clear is that, that one scarcely needs to argue it, because history, the debates, and the political views expressed since 1867, more especially in later years are within the memory of hon. gentlemen in this House. But in order that the fact may be made more clear and definite, let me read to you a statement which was made by Sir Charles Tupper, one of the fathers of Confederation, the coadjutor with Sir John Macdonald in the early days in settling the lines upon which the foundations of Canada were laid. Let us see what he said, because he is one of the few who are able to interpret exactly the view point of the men of those days. In 1891 Lord Salisbury requested a delegation from the Imperial Federation League to prepare a statement of some scheme with regard to confederation. Later the league appointed a committee of which Sir Charles Tupper was a member, but the committee evolved no scheme and died from inanition in 1893. After that event, Sir Charles Tupper wrote this letter in which he showed where he stood in regard to the attitude which Canada should adopt toward Great Britain, and I think we can take his utterance as an illustration of the view point of the Conservative leaders of that time.

This is what he said:

> **Knowing as I do that the most active members of the committee were mainly intent on levying a large contribution from the revenues of the colonies for the support of the army and navy of Great Britain, I am delighted to have been able, almost single-handed, to obtain such a report from such a committee.**

That statement is one which cannot be overlooked. It is a concise statement of where the Conservative leaders were in the old days on this question of a contribution. But let us see what he said at a late date—1909—on this question. He speaks not only with a full knowledge of Conservative traditions in Canada, but with a full

knowledge of the conditions as they existed in London and, on account of his position as high commissioner, with a knowledge of the attitude of Englishmen generally. He said:

A few years ago, when Canada was struggling to open up for British settlement the great granary of the world, a few gentlemen here raised the question of a Canadian contribution to the Imperial navy. I joined issue with them and was sustained by the press and public opinion. It was admitted that Canada was not only no burden to the Mother Country, but without her harbours and coal mines on the Atlantic and Pacific coasts, Britain would require a larger navy. Contrast the progress of Canada, Australia and New Zealand under Imperial management, and since it was relinquished, and it will be seen to whom their present importance is due.

There is a strong argument for my right hon. friend the Premier, from the great Nova Scotian who preceded him as leader of the party and who tells him that he is not in favour of this policy of subserviency. this policy which declares that a man who was born in this Canada of ours is of poorer timbre, of less degree, than a man who happens to have been born within the United Kingdom, that it is not a sound policy or one which he, as leader of a Canadian party, should stand for in this country.

I have an authority which is not so great, but which is derived from a gentleman whom the Prime Minister thought of sufficient importance to advance not long ago to a position in his Cabinet. I refer to my hon. friend the Minister of Inland Revenue. The Minister of Inland Revenue reminds me of a gentleman who was Chancellor of the Exchequer in the days of Peel and of whom the great Disraeli is reported to have said that, 'like a fly in amber, one wondered how in the devil he ever got there.' When the announcement of the appointment of my hon. friend the Minister of Inland Revenue was made some fifteen or sixteen months ago, one wondered how in the devil he ever got there, and the wonder to-day is how in the devil he stays there. The Prime Minister thought that this gentleman was of sufficient worth to take him from the ranks of the left wing of his party, with which he had formed this alliance, and advance him to a position at the head of a great department in this country. Mr. Nantel—if I will be pardoned for referring to him by name—posed in this House between 1908 and 1911 as a great authority upon constitutional practice and upon the history of the Conservative party. This is one of his utterances:

I say again, that our Canadian statesman: Sir A. MacKenzie, Sir George Etienne Cartier, whom the Liberals have vilified to such a great extent and upon whom they now rely in order to have the present Bill adopted, and Sir John A. Macdonald, have rejected this doctrine of imperialism at all times, and especially in 1863 and 1885.

He referred particularly to occasions when the aid of Canada was sought. But he went further:

And it is more than probable that if Sir John A. Macdonald had been the leader of this country in 1889, our Canadian militia would not have gone to fight in South Africa.

Is the Minister of Inland Revenue right? If he is right how was he ever allowed into this Cabinet? How does my hon. friend the Minister of Militia possess his soul in patience when he has alongside of him a man who declares that, when the Minister of Militia insisted that Canada should send men to South Africa, he was acting entirely contrary to the traditions of Sir John Macdonald? Of course, newer days have come to the Minister of Militia. The warlike member for Champlain who is the Deputy Speaker, and who, in the last Parliament, and out of Parliament too, was a doughty warrior has become a man of peace, and he devotes his energies to finding employment in this House for a large number of French translators. He flouts the Minister of Militia; he writes to his friends in Quebec and instead of referring to him as the hon. Minister of Militia and Defence, he calls him Sam the tetrarch, and boasts, not of having fulfilled his many promises with regard to opposing naval contributions, but that, while the Government is going on with its naval contribution, he is devoting himself to the arts of peace in the way of finding jobs for the faithful who want to serve their country for a consideration as translators in spite of the tetrarch. The Minister of Inland Revenue tells us that Sir John Macdonald would never have sent troops to South Africa in 1899. Does he know what he is talking about, is he right; because he was preaching the gospel of the left wing of the party at that time? If he was, then one of the cherished illusions of hon. gentlemen opposite must go by the board. Do not let us at any time hereafter in this House have any enthusiastic back-bencher stand up and declare that it is entirely a mistake to say that my right hon. friend the leader of the Opposition had anything to do with sending the troops to South Africa, but that it was done by some gentleman who sat in opposition, and who, in some mysterious way, forced the Government to do what it did not want to do. We have heard that statement made in this House. But, whenever any hon. gentleman rises to do that again, let him remember that one of his leaders, the distinguish-

ed Minister of Inland Revenue, has told them that they do not know what they are talking about, and that if Sir John Macdonald had lived at that time they would not have been permitted to go.

The record from 1867 down to 1896 is absolutely barren of accomplishment. The hon. Minister of Trade and Commerce, who used to weep about the weary Titan, sitting alone in the North sea and all her children enjoying the advantage of her protection without coming to her aid, sat on the treasury benches for fourteen years and never opened his mouth about sending armaments or ships to England. He comes in here occasionally and makes these speeches of his which he has on tap for the purpose of relieving the party when they are in a bit of a hole. He talks about the inadequacy of the position which the Liberal party have assumed, and their failure to do anything for the Empire, when, in his day of supremacy and position, when he had charge of the treasury of this country, he never gave a five-cent piece towards helping England in any part of the defence of the Empire. That is the record of the Conservative party from 1867 to 1900. When we hear these men talking about a separatist navy, as if the men sitting on this side of the House were not as loyal as they, though our blood is just as vigorous, flowing with Saxon strength, Scotch vigour and Irish enthusiasm, and when we recall to mind the fact that for thirty years these men stood inactive and did nothing, we see how natural it is to-day that they should occupy a position which is an ignominious one, and not the proud Canadian one which we occupy upon this great question. In 1900, under Liberal rule, Canada sent 8,372 officers and men to South Africa at an expenditure of $2,830,963; and, of the Canadian boys who went there to defend the Empire, the bones of 224 lie on the veldt. When I hear these men opposite boasting of their loyalty, I recall an occasion last summer when in the little village of Canning, Nova Scotia, I saw a shaft raised in memory of a son of Canada who gave up his life for the Empire in the South African war. Was he the son of any of these doughty warriors opposite? Was he the son of any of these men who talk so loudly now about what we should do for the Empire? No, he was the son, the only son of my friend the former Minister of Militia, who in his official capacity provided for the sending of the sons of Canada to take part in the defence of the Empire, and among them his own gallant son was not the least worthy. Then, in 1904, the Liberal party, without any blowing of trumpets, gladly assumed, at the request of the Home Government, the maintenance of the dockyards at Esquimalt and Halifax, and they further agreed to man the defences of our country at the expense of Canada, and to relieve the Imperial troops from duty here. When the two great parties in Canada come to compare their records of services to the Empire, the Liberal party can justly claim the laurels. Indeed, it may truthfully be said that whatever has been done by Canada for the defence of the Empire has been done by the Liberals of Canada.

This brings us down to 1909, when this House passed a unanimous resolution which, without taking its words ipsissima verba, set forth these three great principles: First, the recognition of the duty of Canada to assume a larger measure of Empire defence; second, an absolute condemnation of regular and periodic contribution, which was declared to be an impossible solution of the question; and, third, that it was the duty of Canada to at once proceed to the speedy organization of a Canadian naval service. That is where both parties stood in 1909, and the Liberal party set out to put into effect the principles contained in that resolution. Let me call attention to the attitude of the Conservatives in this House with respect to that question at the time. The Minister of Trade and Commerce subscribed to all three of these propositions, and reiterated on every occasion that he was opposed to anything like stated contribution. And the Prime Minister himself declared absolutely against stated contribution and in favour of a Canadian naval service. He went to England, and he returned; he landed at Halifax; he came back to this House the following year, and in the debate on the Address he declared that he was still in favour of the Canadian Naval Service Bill. In the winter of 1910 he said to the Government of the day: Go on with your naval service. I know that in politics consistency is the least of all virtues, and I know that in the history of the Imperial Parliament and of our own, public men have changed their views within a reasonable period of time: but I venture to say that no man occupying a responsible position either in England or in Canada has ever made such a complete reversal of his position in such a short time as has the right hon. the Prime Minister of Canada on this question. Probably the explanation may be found in the saying of Lord Rosebery: 'Toryism has under the occasional pressure of men shown itself singularly adaptible.' I fear that the right hon. the Prime Minister has, since his early days, become inoculated with sufficient Toryism to enable him under the pressure of the Nationalists of Quebec to adapt himself to exigencies. These gentlemen tell us now that while they did of course condemn contribution, yet what they did condemn was regular and periodical contribution. Indeed, one of them told us that what they did condemn was 'stated'

contributions, and the query arises in my mind as to how many contributions can be made before contribution becomes objectionable. The Minister of Customs (Mr. Reid) is something of a mathematician, and I would like him to figure out how many contributions Canada would have to make before she put her autonomy in danger. Of course, that argument is simply casuistry on the part of hon. gentlemen opposite to try to escape from a situation which they realize is incompatible with the dignity and independence of Canada. Surely, if a second contribution or a third contribution is bad, there must be something of evil in a first contribution. A contribution is urged now, because, as we are told, in 1920 if England does nothing in the meantime, there is going to be a sort of parity between the English and German navies. There is a need not an emergency, but a need—that is, there may be in 1920. But suppose that,—an unfortunate thing for Canada—this contribution goes through, and that Germany comes down next year with a programme for the building of a great many more vessels, then the Prime Minister, still having his thinking cap on—for his permanent policy cannot be developed within a year; it is never going to come until Imperial federation comes, and we know that that cannot be within a year, and meantime Canada will be destitute of any preparation for her own defence, no shipyards, no ship-building—there will be nothing for him to do but to come and say: We want another contribution because Great Britain is going to be in need in 1921. But I am inclined to think that the very grotesqueness of this argument must appear to hon. gentlemen opposite, and they must see that, if their leaders were right, and if they themselves were right, if we all were right, when we were in hearty agreement on the subject of contribution, then contributions are not the solution of our relations with the Mother Country. And when you come to the clear ground contained in the third paragraph of that resolution, to which the Prime Minister gave full and enthusiastic adherence and which he followed up by going to his constituents and declaring before a large audience that the result of that policy was that 'to-day was Nova Scotia's opportunity.' What can these hon. gentlemen say? When I hear hon. gentlemen opposite argue that that policy of Canadian naval defence is not a sound one, I wonder at their assurance and temerity. Were they like some other hon. gentlemen who tried to get out of it—were they asleep when this resolution was passed? Did they know what was going on? I think they all knew very well. And I believe that deep in the hearts of many hon. members who sit on your right, Mr. Speaker, is the feeling that the right thing for Canada to-day is to build her ships in her own shipyards and man them with her own men for the defence of the Empire.

Why should not we do what Australia has done? One of the greatest fictions which the press of hon. gentlemen opposite are continually publishing is that Australia has done something different from what Canada was going to do. They say: If Canada would only do what Australia has done; if Canada would only follow Australia's noble example, all would be right. Half the Canadian newspapers of this country are uttering this nonsense, that Canada was doing something different from what Australia now proposes to do. Let us examine that, because it has to do with this second period of our history, that beginning in 1909 when the House unanimously declared in favour of a speedy organization of a Canadian navy. Where was Australia at that time? Working out the problem by itself without referring to Canada. On April 15, 1909, inside of two weeks after the resolution had been passed in this House, the Premier of Australia sent home to the Secretary of State for the Colonies an announcement that they in Australia did not want to have anything to do with contributions, they wanted to have an Australian navy. I have before me the official report in regard to it. It gives an outline of the plan on which the Australian navy is to be established, the relation it is to bear to the Imperial forces, and the whole basis on which the thing is to be worked out. It was Australia that first originated the system of local navies within the Empire. The result of the proposition was that the Secretary of State for the Colonies called a conference which was held in London in 1909 which was attended by the hon. gentlemen (Sir Wilfrid Laurier) who leads the Opposition in this House, and also the then Minister of Militia and the then Minister of Marine and Fisheries. Let me run over the history of this movement in Australia, for a moment, for it is very instructive. There was a conference in 1902, and that conference was attended by Sir Edmund Barton, Premier of Australia. When he went back from the conference he anounced to his legislature that he had promised to contribute to the Admiralty at least £200,000. This proposition excited the greatest criticism in the colony, and the Opposition became so serious that Sir Edmund Barton was compelled to resign his position as Premier of the Commonwealth and take the position of Chief Justice and retire absolutely from politics. Now, let me remind the House that the facts I am relating concern a country ninety-five per cent of whose population are of English extraction. If you will keep that fact in mind as the story proceeds, you will realize how ridiculous is this story of a 'Separatist navy' which the press of hon. gentlemen

opposite indulge in and which some of these hon. gentlemen even have the temerity to speak of in this House. After a good deal of agitation there came a time, when, in 1909, Australia deliberately gave up the policy of contribution and started upon a policy which meant that they should originate and maintain a local navy, and a conference was held in England with regard to that matter. Before the conference was held, Mr. Fisher went out of power and Mr. Deakin came in. The conference was held in England in 1909, and with the full accord of the Admiralty it was decided that henceforth Canada and Australia should make their contributions to the Empire by establishing local navies, and that the relation of these navies to the Mother Country should be that they should protects our own coasts in time of peace. And in the time of war, where were they? One of the great things hon. gentlemen opposite have been talking about in Ontario and other provinces is that this navy proposition of the Liberal party of Canada was a 'Separatist party' because, forsooth, this Parliament would have the say whether the navy should go to the aid of the Mother Country in time of war or not. That is what hon. gentlemen opposite preached individually, while their confreres in the province of Quebec were declaring it was an absolutely imperialistic navy. What was the opinion expressed in Australia? Anyone can obtain information as to the law by looking at the Australian Defence Act, to be found in the statutes of that commonwealth of 1909; but here is an explicit declaration of the Premier of Australia, made in the Australian Parliament on September 6, 1911:

Mr. RYRIE: I am not clear on the point whether under the naval agreement——

That is, the naval agreement with the Mother Country, to which Canada was a party.

—under the naval agreement, our fleet unit in time of war is to be subject absolutely to the British Admiralty, or only so subject with the consent of this Parliament.

What did the Premier of Australia say? 'Only with the consent of this Parliament.' This is one little fiction hon. gentlemen opposite have been very fond of talking about. My right hon. friend the Prime Minister has juggled with cold, legal phraseology about the anomaly of the statement that when the Empire is at war, Canada is at war, and the anomaly of Parliament having anything to say about it, although as a constitutional lawyer, he knows full well that there is no way by which the navy or militia of Canada or Australia, or any other nation within the Empire, could go to England's aid without the consent of Parliament. Right here, remembering the position of Australia, ninety-five per cent of its people being of English birth, let the slander upon the Liberal party heralded by these ultra-loyalists on the other side be forever buried when it is known that there is not a ship in the Australian navy which can set sail to assist the Empire in time of war without the consent of the Australian Parliament.

I have already said that after Mr. Fisher made this proposal, he went out of power, and Mr. Deakin came in. An arrangement was made as to the construction of these ships, and when Mr. Deakin went back to Australia in the autumn of 1909, a Bill was introduced by which he proposed that the Australian people should borrow £3,500,000 in the Old Country for the purpose of having ships built in England. This measure was very much like that of hon. gentlemen opposite, the only difference being that Australia proposed to keep these ships as a part of her own navy, whereas the right hon. gentleman proposes to send ships built with our borrowed money over to England, from whence the money comes. Let us see what was said in the Australian Parliament with regard to this. Mr. Ryrie said:

I hold, at the same time, that the plan that has been adopted, of raising £3,500,000 in the money market on bonds, in order to buy our own ships, which will soon become worthless old iron, is the wrong plan. It is suicidal to borrow money, in this way. It is the work of the prodigal of finance.

Then Mr. Matthews says:

If they borrowed money to establish national shipyards for the building of a fleet, they would be on safer lines. They tell us that we may be able to build some of the small vessels, but could not possibly build a dreadnought, because only certain yards in the world can do such work.

This is the fiction of the English shipbuilder, who is a very powerful factor politically in the Old Country, because of the profits he hopes to reap from a policy involving the construction of ships in England.

I do not see the immediate necessity for a dreadnought or anything approaching it, and the money could have been well spent in establishing a national yard or yards. In that sense it would be reproductive, because it would establish the shipbuilding industry in our midst. If the Government had made a suggestion of that sort, I could have seen my way to vote for it.

But to borrow £3,500,000 from the British money lender, and spend it on the construction of ships in British yards is simply perpetuating the old order of things and piling up debt, with no advantage to Australia, either immediate or remote.

Let me now present another statement:

Mr. Matthews: We shall not add to the stability of the Empire by borrowing money to construct warships in the Old Country. Great Britain can afford to pay for whatever warships she requires and can build all that she

needs. I am against this proposal to borrow to provide for the cost of this unit, and to have the vessels of the fleet constructed almost entirely in the old country. I am as strong an Empire man as is any hon. member—I was reared in an atmosphere that makes me an Empire man—but I recognize that my duty to Australia is to assist in making her, as far as possible, self contained. If that were done and we continued to have for the Old Country the feelings that we entertain towards her to-day, we should do something subtantial for the cause of Empire.

Here we have, in concise form, the proposition made in Canada. Although we make the proud boast that we are the greatest colony of the whole Empire, we should remember that four years ago Australia, which does not equal Canada in population, resources or extent, quietly proceeded to establish a local navy on the lines of the Bill proposed by the right hon. gentleman who leads the Opposition in this House. Talk about tin-pot navies! Australia with ninety-five per cent of her population of English birth, has had a tin-pot navy since 1909. Mr. Brown, at the conclusion of the debate in 1909, made the following statement:

Defence is an expression of national preservation and patriotism. Australian self-preservation and patriotism are not necessarily antagonistic to British or Empire preservation or patriotism; but may, and should be, their complement. There is no justification for the innuendo, and in some cases, the direct statements that Australian patriotism means or spells disloyalty to the Empire, and that the desire to build an Australian navy and to provide for Australian defence, is necessarily antagonistic to the best interests of the Empire.

In Australia, just as here, there were politicians who charged the Government, because they wished to build their ships in Australia, with a desire to have a separatist navy, but Mr. Brown concludes as follows:

Finally, Australian naval defence should be: (a) paid for by Australian money; (b) built by Australian labour and skilled workmen out of Australian material so far as possible; (c) manned by Australian men, animated with Australian patriotism; and, (d) an Australian fleet under Australian supervision and control up to the point when the Empire needs united action under central control.

This with the substitution of the word 'Canadian' for the word Australian, is an admirable statement of the Liberal policy of to-day. The proposition to borrow money to build the Australian ships in the Old Country, submitted in the autumn of 1909, was carried by a very narrow majority, but it led to the speedy downfall of the government which proposed it, and there came into power a government which repealed this law, and inaugurated a policy for the construction of the ships in Australia, along the line of the proposition laid down by Mr. Thomas Brown. That is the policy in effect in Australia to-day.

Let us see the nature of that. Did Mr. Deakin, whom everybody recalls as having taken a distinguished place in the conference at home, when he found that Australian sentiment demanded that this navy should be constructed in Australia, oppose it? On the contrary he became one of its most vigorous upholders, and when in 1911 the then Premier, Mr. Fisher, went home to the conference and came back with an agreement made with the naval authorities permanently establishing the status of that Australian navy, what do we find? That in the session of Parliament which followed he announced in the speech from the throne:

The naval agreement arrived at after conference between Commonwealth representatives and the Admirality is extremely satisfactory, embodying the policy formulated by the Government and approved by the people of the Commonwealth.

And then what followed? Here is an opponent of Mr. Fisher who then instead of keeping up this agitation as hon. gentlemen have been doing for political purposes, gambling with the future of Canada on one of the most vital questions in her interest, said:

The naval defence scheme was formulated by the Liberal Government. Like many others of the measures of that Government, it was found that it could not be improved upon and that it was the best thing for Australia. Consequently it has been adopted, notwithstanding the most strenuous opposition of members of the Labour party, when the policy was originally put before the people.

This is an opponent of Mr. Fisher declaring that Mr. Deakin and his party are entitled to the credit of establishing it. Let us see what was the attitude taken by another critic on the other side of the House towards the Government in their proposal that the ships should be built in Australia. Mr. Joseph Cook, whose name is familiar to every one having any knowledge of Australian history, said:

When I see this Labour Government spending millions of the peoples money in creating a navy and army for the defence, not only of Australia, but of the Empire, it is my place to support it, and to reserve all criticism which is not absolutely necessary.

I have dwelt with that question at some length for the purpose of showing the House and the country that Australia has led the way, first, in the proposal of 1909 to the Mother Country of the establishment of local navies. They provided for the construction in Australia of their navy and they have now in existence at Sydney an immense dockyard and shipyard where the

vessels for the Australian navy are being built. These shipyards were inaugurated only two years ago and they provide all that is necessary for the mercantile interest of that great colony right within their own doors as a result of the policy introduced by their Government. The statement was made in the Australian Parliament only a year ago that there were already in that great shipyard at Sydney orders to the amount of £800,000 for the construction of vessels of various kinds and demands were being made in Parliament from different portions of the Commonwealth that the Government should proceed to institute other shipyards in other parts in order to provide for the construction of mercantile ships.

Now where is Canada? Canada has stood still.

Some hon. MEMBERS: Hear, hear.

Mr. MACDONALD: My hon. friends who came into this House within the last two years say, 'Hear, hear.' They have been reading Tory newspapers. If they had been down here and had seen the play that went on with the Prime Minister on one side and the hon. member for Jacques Cartier (Mr. Monk) on the other, they would not be chuckling to-day. In 1909 when the conference was held in London, our representatives went home, they entered into the same agreement as the Australian people, they came back to their Parliament just as the Australian representatives did. Instead of proposing a Bill to borrow money to build ships in England they anticipated what Australian public opinion decided to do a year afterwards, and introduced a Bill which provided that Canada should proceed to provide for the construction of these ships in Canada on exactly the same lines as under the Australian Act. Why did they not do it? Because of an alliance, an alliance the like of which has never been seen in our history, where you found one great political party who claimed to be the founders of Confederation joining themselves with a combination of Nationalists who set about creating discord and dissension in one of the great provinces of this Dominion. That is why that navy was not built.

Let us follow the history categorically. That is what was done by our representatives when they came back in 1910. On their return to Canada they found that the right hon. the present Prime Minister had been over to England, that he had said that a Canadian navy was a good thing. He came back here and said the same thing. When they introduced their Naval Service Bill in this House of Commons they were met by two amendments, one by the present Prime Minister, who declared that nothing should be done without consulting the people of Canada. Hon. gentlemen who titter about this thing ought to read the record. They were not here to know that the Australian Government went on without bothering to consult the people and did the thing, but the present Prime Minister thought he could play a little politics and add to his strength in the province of Quebec. He adopted the Bourassa policy of consulting the people, in order to get support. There can be no mistake about that. Our friends from Ontario have no doubt, I suppose, that this man Bourassa was a Grit.

Some hon. MEMBERS: Hear, hear.

Mr. MACDONALD: Yes, he was, but for the last ten years he has been playing your game, he was the same kind of a Grit as your leader, the present right hon. Prime Minister was, but he and the Prime Minister were Grits who were not doing very much at the job, they have been playing the Tory games.

Mr. FOSTER (Kings): They had some principles, the two gentlemen you spoke of.

Mr. MACDONALD: I am glad that this gentleman from Kings county has become such a devout admirer of Mr. Bourassa. It will be a good thing for his people down there to remember. The present Prime Minister said: Go on with your naval service, down to January, 1910. On the first reading of the Bill to provide for the naval service, the present Prime Minister said: Go on; and when the second reading came, he and his former follower, Mr. Monk, proceeded to move two amendments to it, both intended to kill it, and there was formed a compact between the two combinations that remained in opposition down to 1911, each playing a different game, each shouting a different shibboleth, only united in one idea, to beat Laurier. The country and its navy and everything else, all its future, might be imperilled if that one thing could be obtained. What were the lines? First, the right wing whose duty it was to shout the tin-pot navy, the separatist navy and that the people should be consulted. Suddenly an emergency was discovered, one of those emergencies which the Prime Minister last year, when trying to explain to the House the differences that existed between himself and the hon. member for Jacques Cartier (Mr. Monk), admitted on a later occasion he had discovered never existed. Well, an emergency had of course to be provided and forsooth $25,000,000 had to be voted to please the jingoes. And that old phrase of Tennyson's was used. I do not know what my hon. friends opposite

would have done during the last four or five years if Tennyson had not written that phrase:

One King, one flag, one fleet, one throne.

Poor Alfred Tennyson never had any idea that his words were going to be put to such base uses as those people were putting them to. Well, that was how the right wing talked. Then there was the left wing, of which the doughty and stolid Minister of Inland Revenue was one of the chief factors. I understand he is in doubt as to whether there is an emergency. The only emergency that my hon. friend the Minister of Inland Revenue knows of is one that might interfere with his job. The hon. member for Brantford said this afternoon that there was a crisis, so I think the Minister of Inland Revenue had better wake up and get busy. The idea of the left wing, of which the hon. Minitser of Inland Revenue was one of the formidable factors, was to utilize the services of Mr. Bourassa. He had been carrying on an agitation against the Liberal leader since 1900 when the Liberal leader sent the troops to South Africa. So a combination was made, and there were meetings in this House of Commons. Representatives from the province of Quebec came here and held consultations, and decided, how the Minister of Inland Revenue knows; he is laughing at it now, but he knows to what I am referring.

Mr. NANTEL: I am not ashamed of it.

Mr. MACDONALD: They decided that Mr. Bourassa's influence would be most useful in the province of Quebec and that it was desirable to use it if possible on behalf of their party. So they concluded that they would run along parallel lines, one shouting 'tin-pot navy' and the other 'we don't want to have anything to do with England.' The compact was made and we were told that the navy proposal was unconstitutional, that conscription would follow. Just imagine the horrible picture which the Minister of Inland Revenue drew when he told the habitants that conscription would follow, that emissaries of Sir Wilfrid Laurier would go into their quiet and peaceful villages, and that the young people, instead of growing up to be good Frenchmen and good Catholics, would be taken away and placed on the decks of the vessels that Laurier was going to build and sent to be made meat of by the guns of the Japanese and Chinese. That was the kind of warfare that the Minister of Inland Revenue and his confreres carried on in the province of Quebec. They said, forsooth, that if Canada was to have a navy, conscription must necessarily follow. That was a figment of their imagination. My hon. friend the Postmaster General, who has done us the honour of discussing this question, instead of being practical and explaining how he came to accept a position in the Government when his views were so different from what they were before the election, gave us a most interesting historical lecture upon the loyalty of the French-Canadian people in this country. My hon. friend requires to give that lecture to many of the hon. gentlemen who sit behind him; he does not need to prove it to anybody on this side. In giving us that lecture he tried to conjure up the theory that, if the navy proposition were carried into effect, no men in Canada would go on those ships. He wanted to keep alive the old theory that conscription might follow; that was what was at the back of his head when he talked that way. It was a very effective cry previous to 1911, and no one knows it better than the men who owe their seats in this House to it. They said that any proposition of that kind was unconstitutional, and the hon. the Minister of Inland Revenue in this House supported the proposition moved by the hon. member for Jacques Cartier that not merely should nothing be done until the Naval Defence Bill was submitted to the people, but that nothing should be done until the alternative proposition of the then leader of the Opposition was submitted to the people. They claimed that both policies, contribution, and naval defence in Canada, should be submitted to the people. Wherever it was necessary for political effect, they scorned the idea of being followers of Mr. Borden. He was 'the vicar of Laurier' they said. This was done to get the support of gentlemen in Quebec who thought that their interests would be imperiled by those things. That was what took place, and all the while they were abusing the Niobe. Poor old Niobe; she was no good; she ran on the rocks; she was a very old vessel they said. My hon. friend the Minister of Inland Revenue, again recognizes the reference. How I would like to settle this question of the Niobe. The Niobe was built in 1899. She is a vessel of 11,000 tons.

Mr. NANTEL: Was it built in Canada?

Mr. MACDONALD: Can I assume that the Minister of Inland Revenue would have thought she was all right if she had been built in Canada? I think the minister had better take a day off and tell us all he knows about these things. Apparently his duties in the Inland Revenue Department are so arduous that he has been unable to collect his thoughts or his notes and to tell us what he thinks about the matter, but I am sure he will do so

in the course of a day or two. This is the situation in regard to the Niobe: She was built in 1899 and is of 11,000 tons. She has a speed of twenty knots, and was built by Vickers, Maxim, Limited, at Barrow. She is a protected first-class cruiser. Now, is she so very old, or was there anything the matter with her? I suppose the British Government could be trusted in the matter of making a bargain, but apart from that, let us see how she stands in comparison with vessels belonging to other countries. I want to put on record these facts, because we have had so much nonsense talked about this vessel that it is well to settle the matter once and for all. There are fifty-one armoured cruisers and ships at present in service in the British navy that are as old as or older than the Niobe. There are ninety-eight armoured ships and cruisers of the same tonnage or of less tonnage in commission in the British navy to-day. Let us take France. There are thirty-five armoured ships and cruisers in commission in the French navy to-day that are smaller than the Niobe and thirty-one that are older. In Germany there are fifty-eight armoured ships and cruisers smaller than the Niobe and seventeen armoured ships and cruisers as old or older. In Italy there are eighteen armoured ships and cruisers older than the Niobe and twenty-five smaller. I could point to five other countries which have navies and show from the Naval Annual that there is a large percentage of vessels still in commission in these navies that are not only smaller than the Niobe but as old or a great deal older. That is the vessel which those gentlemen scorned, the vessel which they said went ashore coming from a political picnic. That is one of the stories which hon. members opposite delight to tell in the back concessions of Ontario where they know all about vessels. What are the facts? The facts are that in the town of Yarmouth there was being held an old home week, as they are held in a great many places throughout the provinces. Yarmouth is the second sea-port of importance on the south shore outside of Halifax. The Niobe had been there for the purpose of the public seeing her, people visited her in great numbers, she was returning to Halifax and in the ordinary course of her journey she ran ashore, not in the county of Yarmouth, but on the south shore of Nova Scotia off Cape Sable. Who was in charge of her? Hon. gentlemen opposite insinuate and suggest that some appointees of the Liberal Government were in charge of her. The man who was in charge of her was the navigating officer, Lieut. White, an appointee of the English Government, sent over with her and responsible for her navigation and direction while under his control, as she was entirely from Yarmouth to Halifax. In the court martial that was held afterwards, he was the one that was criticised for having neglected his duties. Could any imputation of any kind be made upon the Government that had to do with that vessel or upon any member of that Government or of the department? Yet this is one of the fictions that hon. gentlemen have rolled as a sweet morsel under their tongues and which they harp upon and talk about. In this very debate, not more than a week ago, some smart gentleman made some slighting remark about the Niobe and created a titter around him as if that meant that there was something to titter about.

I see the Minister of Justice (Mr. Doherty) before me and I was just going to refer to him. He has just wakened up. He has one or two things to explain. I want to call his attention to a very solemn statement which he made in this House and which it would be desirable and necessary that he should explain in the course of this debate. My hon. friend the Minister of Justice, who sat with the hon. member for Jacques Cartier (Mr. Monk), in the last Parliament, declared that there was no constitutional obligation in this country or this Parliament to do anything for the defence of the Mother Country. I will read the hon. gentleman's remarks. Perhaps he will find it well to explain them. They will be found in 'Hansard,' page 4139, of date February 24, 1910. To show how anxious he was to solve the problem of naval defence at that time and to second the laudable and patriotic efforts of the Australians and all those great men throughout the different parts of the Empire who were grappling with this question, let me read to the House what the hon. gentleman said:

> What I desire to point out is that, under our constitution, there is no obligation on the part of Canada, legally or constitutionally speaking, to contribute to the naval forces of the Empire, and that position will continue to exist so long as the United Kingdom alone has exclusive control of the foreign affairs of the Empire.

How does he justify to-day giving away $35,000,000 of the money of the Canadian people?

Mr. DOHERTY: Will the hon. gentleman allow me to answer his question?

Mr. MACDONALD: No.

Some hon. MEMBERS: Oh, oh.

Mr. MACDONALD: My hon. friend's voice is very sweet, and he has a peculiar habit of elucidating knotty questions. This one which I do not propose to allow him to elucidate and thus interfere with my speech at this time. He can take time to

do it later on. I would like to know upon what principle a man who fills the position of Minister of Jusice in this country, after he has gone on record solemnly as declaring that legally or constitutionally this Parliament has no obligation to contribute towards the naval defence of the Mother Country, can justify the proposition to send $35,000,000 over to Great Britain without submitting the question to the people here.

Mr. SPEAKER: The expression 'man' is scarcely parliamentary.

Mr. MACDONALD: I would like to be in order. If Mr. Speaker would be good enough to suggest what words I might use in referring to the hon. gentleman I shall be glad to be guided by him.

Mr. SPEAKER: Hon. member or hon. gentleman.

Mr. MACDONALD: Oh, hon. member.

Some hon. MEMBERS: Oh, oh.

Some hon. MEMBERS: Order.

Mr. MACDONALD: I shall endeavour, Mr. Speaker, to come up to your standard.

Mr. SPEAKER: I think that dissent from the explanation of the Chair is scarcely in keeping with the decorum of Parliament or with the effort of the Chair to keep as closely to the rules of debate as possible

Mr. MACDONALD: I hope the hon. Minister of Justice will tell us what he meant in that quotation to which I have directed his attention, and will take an opportunity of letting the House know just what he meant by his legal and constitutional objections. I would like to know whether they exist, and why, if that proposition is a sound one, he should insist on sending $35,000,000 of our money across the ocean for the purpose of contributing to the defence of the Empire.

Mr. DOHERTY: The hon. gentleman calls upon me.

Mr. MACDONALD: No, I am not calling upon my hon. friend.

Some hon. MEMBERS: Order, order. Sit down.

Mr. SPEAKER: If the hon. gentleman who has the floor does not desire to give way he is entitled to continue his speech.

Some hon. MEMBERS: Order. Sit down.

Mr. SPEAKER: Order. The hon. gentleman has the floor, and unless he desires to give way he is entitled to continue.

Mr. MACDONALD: There is another minister, whose utterances will be found on page 4537 of 'Hansard,' 1910, who talked with regard to what should and what should not be done at this juncture, and who must take a part of the responsibility for the laggard position that Canada occupies in the matter of naval defence. I refer again to the hon. Minister of Inland Revenue. He said:

I shall vote against the Bill because it involves the recognition of military imperialism, because it aims at having that principle recorded in our statute-books. I shall vote against the amendment——

That is the amendment of his present colleague the Prime Minister—

—because it involves the same principle and because I do not admit that there is any emergency under the present circumstances. I do not wish to justify the motion of the leader of the Opposition. I have just said that I am against it.

One of the problems which has never been solved and which I hope to revert to later on, to which, at some later date the hon. gentleman might address himself, is how it was that, being against his colleague and leader on such a vital question, he came to support him, what the terms were that he made with his leader when he accepted a seat in the Government and what he has to say in regard to this utterance. I have another quotation which will require explanation at a later time. It is as follows:

The sub-amendment——

That is, the amendment of the hon. member for Jacques Cartier—

—which calls for a referendum to the people on a question of such importance, is the only proposal which meets my full and entire approval.

Personally, I believe that the policy to be followed by Canada is, and will be for a long time to come, the policy which has been followed ever since 1863, admitted by British and Canadian statesman such as Gladstone, Disraeli, Salisbury, Sandfield Macdonald, Cartier, J. A. Macdonald, Blake, Mackenzie, until the days of Chamberlain, and which is limited to the defence of our land, to the defence of the Empire on Canadian territory, so as to entirely dispense the Mother Country from any such trouble and care.

How does the Minister of Inland Revenue square this proposition to give $35,000,000 to be spent in the shipyards of England, with his high-flown doctrine propounded by him two years ago? At that time the hon. member for Laval was curious to know where the Minister of Inland Revenue stood, whether he was still a supporter of Mr. Borden, or what he was, and Mr. Wilson asked him:

Mr. WILSON (Laval): Does the hon. member for Terrebonne intend to support the leader of the opposition (Mr. R. L. Borden) at the next election.

That was a poser, and what do suppose Mr. Nantel replied to that?

Mr. NANTEL: I say in answer to the hon. member for Laval that on this side of the House we are free to differ from our leaders. We have opinions of our own. We stick to principles in preference to mere expediency.

I wonder whether he is still sticking to principles or whether expediency has run away with his principles. And now, let me quote to you some language uttered by the hon. member for L'Islet (Mr. Paquet) who has been honoured by being made deputy whip of the Conservative party. This is what that gentleman said:

At a moment when our fondest hopes are being realized; at a moment when the stream of immigration we are in need of is pouring into the country, is it fair, is it proper, without consulting those new settlers to adopt a policy which must result in leading the flower of our youth into naval battles on all the seas of the world. Are we Canadians to be used as targets on the waves of the North Sea and upon the billows of the different oceans?

That was a very effective expression in the back parishes: the waves of the North sea, and the billows of the different oceans; how those words rolled under the tongue of the hon. member for L'Islet. Then again the hon. member for L'Islet said ('Hansard,' page 6494, 1910):

Our statesmen by their acts, by their legislation, have expressed the opinion that Canada should not participate in wars which in no way concern Canada.

What do you think of that as sound doctrine? Again he says, in exemplifying this proposition, because of adherence to which, the left wing of the Conservative party asserted they were the true inheritors of the ideas of the Conservative statesmen of the past, and it is well we should know it on such good Conservative authority, so that there may be no question about it hereafter:

In 1885, General Laurie and Colonel Williams proposed to raise two regiments and asked the Government to bear part of the expenditure. Sir John A. Macdonald, after being consulted by Lord Lansdowne, wrote that Canada could not contribute to the wars of the Empire. We have no voice in the wars of the Empire; and to-morrow we may be called upon to shed our blood on the battlefields of the Empire; to-morrow our fellow-countrymen may be sent to China, to Australia, to India. I cannot subscribe to this policy.

An hon. MEMBER: Who said that?

Mr. MACDONALD: The member for L'Islet. And let me say just here, I wonder if that is the reason why, in this very loyal policy enunciated by hon. gentlemen opposite, they have taken good care that no Canadians will be on board these ships to fight the battles of the Empire? Is it because the Nationalists of Quebec who support them are opposed to sending Canadians to fight the battles of the Empire? That is the game that worked in Drummond-Arthabaska.

When Parliament met in 1910 and tenders had been called for the construction of these ships in Canada, we found a very curious state of affairs. The two parties were getting closer together on the question. The hon. member for Jacques Cartier moved a resolution setting forth regret that there was no intention on the part of the then Liberal Government to consult the people on the naval policy, or the general question of a contribution by Canada to Imperial armaments. I want the House to remember that resolution. Then Mr. Borden moved an amendment, in which he went on to regret that there was no intention on the part of the Government to consult the people on the naval policy of Canada. Mr. Borden's being in the form of a sub-amendment, it was put first, and the Minister of Trade and Commerce voted for the motion of his leader; but when the motion of the hon member (Mr. Monk) was put, the hon. gentlemen (Mr. Foster) made his exit in order that he might not be called upon to vote. The Right Hon. Mr. Borden, the present Prime Minister, did vote, and he voted for the proposition that he regretted that the Government had declined to consult the people on their naval policy and on the general question of contribution to Imperial armaments. Later on, I will be able to show that Mr. Monk was right when he attempted to hold the Prime Minister to his declaration made in this Parliament in the autumn of 1910. In the election which followed, Quebec was the only battle ground in which the navy question was fought out. Reciprocity was not the issue in the province of Quebec; it was the navy that was discussed there. There was a combination between the old Blues and the associates of Mr. Bourassa, who fought against the Liberals led by Sir Wilfrid Laurier, and the fact that the present Prime Minister has twenty-six members from the province of Quebec to support him, is due to the agitation carried on in Quebec by the left wing of the Conservative party. And, when the battle was over and the victory won, who was the dictator? How did the member for Jacques Cartier and the Minister of Inland Revenue and the Postmaster General come into the Cabinet? It is a fact that the columns of Le Devoir, Mr. Bourassa's newspaper, contained the exact account as to who were to constitute the Cabinet two days before anybody else in Canada knew anything about

it. That information must have been obtained from someone who was in consultation with the Prime Minister. We all know what heartburning there was when some of the men who had been truly loyal to Conservative principles for years were left out of the Cabinet, and the Minister of Inland Revenue and the Postmaster General and Mr. Monk, avowed Nationalists, were given seats at the Council Board. The old time Blue was relegated to a back seat and in this coalition Government, partly Conservative and partly Nationalist, the Nationalists were in control so far as the province of Quebec was concerned. And after that Government had been formed, we asked last session for a statement which, under the rule of every constitutional parliament in the whole history of the Empire should have been made at once, as to how these men, absolutely diverse in principles and ideas, could get together in the same government. And no explanation was forthcoming. The hon. member for Jacques Cartier, in a moment of exhilaration, soon after having got into office, told us, "We are here, and you are there. And he said that he was riveted and bolted to his seat, and that was all he had to say. He was evidently not riveted and bolted to his seat half so hard as he thought he was.

Mr. GERMAN: Not half as hard as the Minister of Inland Revenue.

Mr. MACDONALD: No, not half so hard as the hon. Minister of Inland Revenue. But the Prime Minister was asked for an explanation, and I crave the indulgence of the House, because of the interest of the question and of later developments, while I read what the right hon. gentleman said. Those of us who had the pleasure of sitting in previous parliaments, can enjoy it better, perhaps, than those who are here for the first time in the present Parliament. This is the jaunty way in which the Prime Minister disposed of the matter:

> It is true that the Minister of Public Works (Mr. Monk), and I did not see eye to eye, but the point that divided us at that time was not a question of policy, but a question of fact, because the Minister of Public Works had said over and over again that when any emergency confronted this Empire he and those who think with him would be prepared to do their duty. The Minister of Public Works and I stood together on this common platform that it would be the height of unwisdom, and not in the interest of a united Empire that any great scheme of permanent co-operation should be forced on the people of this country without affording them an opportunity to pronounce upon it.

It was rather interesting to find after this frank acknowledgment that though disturbance had been going on in the province of Quebec in which everything that approached giving assistance to England was denounced, the man who was the leader of it, the man who marshalled the forces alongside of Mr. Bourassa was not divided from the leader of the Conservative party on any question of policy, the difference between them being only a question of fact as to whether there was an emergency or not. And the Prime Minister went on to say that he was quite mistaken about there being an emergency in 1910. He had wanted to give $25,000,000 to England because of an emergency he thought then existed, but he found out afterwards that he was mistaken and consequently, he and the hon. member for Jacques Cartier (Mr. Monk) could well get together. The hon. member for Jacques Cartier never told us his side until he left the Government, and I will come to that stage of it in a moment. These hon. gentlemen came into office, and what were they pledged to? There is no manner of doubt that while the Prime Minister pretended to be so absolutely disingenuous, he had given private assurance to the hon. member for Jacques Cartier that he would repeal the Naval Defence Law, that law which Australia has made the basis of all her contributions to the Empire in regard to naval defence and which is working out admirably there and will be the permanent policy of Australia. There is no doubt that the Prime Minister assured his Nationalist ally that the Laurier Naval Defence Law would be repealed. That was one of the terms. Then what did he do? He had to get another emergency. He thought he had one in 1910, but it slipped out of his hands, so that he had to find another. But that was a big enough emergency for the hon. member for Jacques Cartier. He was a great man last year. Hon. gentlemen who sat behind him and who had to do with him as Minister of Public Works admired his ability, lauded his capacity, and the Conservative party throughout this country heralded him one of the big French-Canadians. Now, none of them are so poor as to do him reverence. When the Prime Minister came back from England with his emergency which he had created himself, in his pocket, and took it to the hon. member for Jacques Cartier, that hon. gentleman said it was not an emergency at all. In fact, it is said the hon. member for Jacques Cartier told his friends that the Prime Minister went to England and asked the Admiralty to give him some material upon which they could base a case, that the Admiralty sent him figures and that he was indignant and sent for something more and could not get what he wanted; and

when he came back to Canada and came before the then Minister of Public Works (Mr. Monk) with whom he had this difference as to the question of fact of an emergency, he had no evidence to give the then Minister of Public Works that there was an emergency. Mr. Monk in his letter of resignation declared:

I regret to find I cannot concur in the decision, arrived at by the Cabinet yesterday, to place on behalf of Canada an emergency contribution of $35,000,000 at the disposal of the British Government for naval purposes, with the sanction of Parliament but without giving the Canadian people an opportunity of expressing their approval of this important step before it is taken. Such a concurrence would be at variance with my pledges.

To whom? These must have been the pledges the Prime Minister gave him when he came into the Cabinet and on which pledges he gave pledges to his allies in the province of Quebec. There is no doubt that when the hon. member for Jacques Cartier took his place in the Cabinet he secured from the right hon. the Prime Minister assurance as to what his policy would be. On the faith of this he said to his friends who had fought for him: Depend on me. But in leaving the Cabinet, he writes to the Prime Minister that to consent would be at variance with his pledges:

—and the Act proposed is of sufficient gravity to justify my insistence. It goes beyond the scope of the Constitutional Act of 1867.

So, the hon. gentleman declared that the Prime Minister had violated the pledges on which he had taken office, resigned from the Cabinet, and went out, declining to come into this House to defend the proposition that this money should be sent to England. These are the facts about which there is no question. What does the jaunty Minister of Trade and Commerce say? I do not know whether the Minister of Inland Revenue was in his seat or not when this was said. I think he must have been asleep, for otherwise I am sure he would have resented it. He is a very jokey man, the Minister of Trade and Commerce, and he said:

Then he said this is the result of an unholy alliance between the Nationalists and the Liberal-Conservatives. If it is the result, who won?

It certainly does not take after the Minister of Inland Revenue.

Here is a measure which says contributions; the Nationalists damns contributions; will have none of it. If this is so, whatever the antecedents may have been, the Nationalists did not prevail, that is certain.

If ever there was a humilitating statement made in any Parliament, it was this statement of the Minister of Trade and Commerce. Seated behind him there are twenty Nationalists from the province of Quebec who owe their seats in this House solely and only to their extreme views on this question. Two of them sit in the House riveted and tied to their seats in the Government which they would not give up, no matter what principles prevail. What are the rest of them to do? Is the Nationalist principle to prevail—that is a conundrum in regard to which we may in the future have some revelation. The former Minister of Public Works lifted the curtain a little when he wrote his letter. Why did not the Prime Minister, when the minister left his cabinet, as every other prime minister in every parliament of the Empire has done on such occasion—why did he not make an explanation to this Parliament, as has always been done, and as always should be done? Some of these days the story will come out, and we will know what the bargain was; how the naval defence of Canada was bartered away, and the terms upon which the Nationalist party and the Conservative party came together in the autumn of 1911 and formed this Cabinet. We will know, too, why Mr. Monk resigned, and whose pledges were violated, resulting in this farce being perpetrated on the people of Canada in their being asked to vote $35,000,000 to help the Tories out of a hole in the province of Quebec.

What was the next step on the part of these gentlemen? This combination of political pedlars, who purchased their principles so cheaply in the province of Quebec, went over to England and sold them in the dearest market. This arrangement with the Nationalists costs the people of Canada, if they vote this money, $35,000,000. Last year the Government announced that it had decided to repeal the naval law, to do away with naval defence, and to put the hands of the clock back for years to come, as far as Canada was concerned, in regard to ship building. Why did they do that? To please the Nationalists of Quebec. When the Prime Minister went over to England his hands were tied and he notified the Admiralty that he did not intend to act upon any basis of the establishment of local forces, as Australia had done. He was taken up at once by the ship builders of Belfast, Glasgow, and Newcastle-on-Tyne, who saw their opportunity and did not fail to grasp it. Let us see what was the policy of the English Admiralty before the Tory party, as they themselves claim, was asked to do something:

It is not unlikely that the main naval development of the next ten years will be the growth of effective naval forces in the dominions overseas—that we shall be able to make a division of labour between the Old Country and the overseas states, so that we (the Mother Country) maintain supremacy

against all-comers at decisive points, and that they (the dominions) shall guard and patrol all the rest of the Empire.

That was the policy of the Admiralty in May, 1912. And what other principle featured in their policy? They were contemplating—and this may be found in the Naval Review of last year, page 11—something to the following effect:

Expenditure from colonial exchequers on the greatly increased scale lately recommended, must be spread over a long space of time. In the interval which will elapse before all the ships proposed for the local navies are completed, we may, at little cost to our homeland, confer a real boon on our kin beyond the sea. We may, as it has been said, place vessels in reserve in Australasia, which would materially increase the means of defence, at least from such forms of attack as it is necessary to prepare to meet. In doing this essential work of co-operation we create a new bond of Empire.

That was the avowed policy of the British Admiralty when the Prime Minister arrived in England. But they saw him coming, as it were, and they were willing to consent to any proposal he would make. I shall read the statement of the First Lord of the Admiralty, published in the Naval Review at page 372:

The development of the naval policy of Canada is at the moment somewhat uncertain. Until the proposals of the Dominion Government are formulated, it is not possible to say how far the organization of the recently constituted Royal Canadian navy will be modified; but the Admiralty will earnestly co-operate in any scheme which will enable Canada to take a real and effective part in the naval defence of the Empire.

So when the Prime Minister arrived there they said: we are ready to do anything you ask. Before the Prime Minister consulted the Admiralty, he spoke at several places and on several occasions—this laudatory banqueting had all been arranged. This man who wanted to submit things to the people of Canada; this man whose left wing was operating in the Province of Quebec; this man who stood up in this House and solemnly supported the theory that we should engage in Canada naval defence, speaking at the Royal Colonial Institute before he had seen the Admiralty at all, stated:

I have always had the conviction, and I hold it today, and I am saying no new thing to you, when I declare that it is my opinion that the defence of the Empire can be best secured by one navy.

After all these statements made and pledges submitted in regard to the policy of Canadian naval defence, he declared in England—whether it was an excess of hospitality that caused his frankness I do not know—that he believed in the proposition that there should be only one navy—no local navies for him.

In this mood, he went to see Mr. Winston Churchill, and Mr. Bourassa tells us what took place. Mr. Bourassa used to be a good authority on what was taking place in the Conservative Party and, in so many words, the Prime Minister said to Mr. Winston Churchill: I am committed to the Nationalist wing of my party to repeal the naval law, and unless you accept a contribution from me, I can do nothing else. Those were the facts. It took three attempts to have a document prepared that would be satisfactory. The Prime Minister came back to Canada without it and I have not the slightest doubt that portions of that document that were sent back here were submitted to the Admiralty by the Prime Minister himself before they were sent to Canada. They bear every earmark of it. That is a nice kind of an emergency is it not? It is no wonder the Minister of Trade and Commerce says it is not an emergency, it is a need. His leader was in great need when he went to England to find someone to lead him out of the maze he had got into and unless he could find some way to take a contribution there was nothing he could do. He comes back and talks grandiloquently, he says that henceforth the Government are to have participation in the Imperial Defence Committee. That is a statement which I propose to treat with the greatest possible care because there are some elements in it of which the Canadian people ought to be made aware. He had talked very glibly about Canada being heard in a military council before they should engage in any permanent co-operation in regard to the question of a navy so he set out, as he says, when he got to England, to make some arrangement of this kind and all through the Tory press of this country there was heralded the statement that a wonderful achievement had been made by the Prime Minister—Canada was to be represented in the councils of the Empire and he had obtained this concession from the Asquith Government and he had the audacity to stand up in this House and make this statement. Let us see what he did, because the document which was issued by Mr. Harcourt, the Secretary of State for the Colonies, was issued for the purpose of contradicting Mr. Borden's statement made in this House that he had obtained that right for Canada. The evidence in that regard is so clear and positive that I shall read it to the House. Let us see what the right hon. gentleman says:

I am assured by His Majesty's Government that, pending a final solution of the

question of voice an influence, they would welcome the presence in London of a Canadian minister during the whole or a portion of each year. Such minister would be regularly summoned to all meetings of the Committee of Imperial Defence, and would be regarded as one of its permanent members. No important step in foreign policy would be undertaken without consultation with such a representative of Canada. This seems a very marked advance——

Mark that statement:

This seems a very marked advance both from our standpoint and from that of the United Kingdom. It would give to us an opportunity of consultation, and therefore an influence which hitherto we have not possessed.

Is it not intended to imply to this House and to the country that he had obtained this advantage for the first time?

The conclusions and declarations of Great Britain in respect to foreign relations could not fail to be strengthened by the knowledge that such consultation and co-operation with the overseas dominions had become an accomplished fact.

I heard the right hon. gentleman make that statement. I had some recollection in regard to this matter, but I could hardly believe that an hon. gentleman occupying the position which he did, would say to this House that something had been arranged for, which Canada had never possessed in all her history, and that he had been able to accomplish something with the Asquith Government which assured to Canada a voice in the question of war and peace which we had never had before. That is a view point which the enthusiastic Conservative editors up and down this country, and enthusiastic college presidents who have been writing articles in magazines, adopted, thinking that Mr. Borden had obtained this right in England. What are the facts in regard to this? A cousin of the right hon. gentleman who is Premier, the former Minister of Militia, in 1902-3 sat on the Imperial Defence Committee in England on the express invitation of Mr. Balfour, the Conservative leader. In 1909 Sir Frederick Borden sat again in the Imperial Defence Committee at the request of the then Government. In 1911, two years ago, when the right hon. gentleman who leads the Opposition (Sir Wilfrid Laurier) was in England, the question as to whether Canada and the other colonies were to have representatives on the Imperial Defence Committee was settled—two years ago, over a year before Mr. Borden ever saw England or discussed the question. When the right hon. gentleman made that speech in this House on the 5th of December it was cabled to England, it was announced that the speech was published simultaneously in the different parts of the Empire. Mr. Harcourt, Secretary of State for the Colonies, saw this speech of the right hon. the Prime Minister and he saw that the impression which the Prime Minister of Canada was endeavouring to create in regard to this matter was wholly erroneous, and he proceeded to write a state paper to the Premier of Canada and the other self-governing colonies stating the true facts in regard to the question. It is most difficult to conceive that a responsible man, holding such a high position as the Prime Minister of this country, should deliberately set himself to allow the people of Canada to believe that he had obtained for the first time the right for a Canadian minister to sit upon the Imperial Defence Committee and yet the evidence of this document, issued by Mr. Harcourt, is so positive that I leave it to the House and the country to draw their own conclusions in regard to the matter. This letter is as follows:

Downing Street, December 10, 1912.

My Lord,—I am forwarding by post for the confidential information of your ministers, a record of the proceedings of the Committee of Imperial Defence of May 30, 1911 (during the Imperial Conference), and of August 1, 1912 (during the visit of the Canadian ministers to London).

This record deals solely with the question of the representation of the dominions on the Committee of Imperial Defence.

Your ministers, who were present on the first occasion, will remember that the matter arose out of a resolution by Sir Jos. Ward on the Agenda of the Imperial Conference, asking that the High Commissioners of the dominions should be summoned to the Committee of Imperial Defence when naval and military metters affecting the overseas dominions were under consideration. The unanimous view of all those present on May 30, 1911, was that the representation of the dominions should be not by the High Commissioner but by ministers who would be responsible to their own colleagues and Parliament and at the same time it was decided that a defence committee should be established in each dominion which would be kept in close touch with the Committee of Imperial Defence at home. The resolution untimately put forward by His Majesty's Government and accepted unanimously by the members of the Imperial Conference at the Committee of Imperial Defence were as follows: (1) That one or more representatives, appointed by the respective governments of the dominions, should be invited to attend meetings of the Committee of Imperial Defence when questions of naval and military defence affecting the overseas dominions are under consideration. (2) The proposal that a defence committee should be established in each dominion is accepted in principle. The constitution of the defence committee is a matter for each dominion to decide.

There is a clear and explicit statement, that on May 30, 1911, these arrangements were made with reference to the Imperial Defence Committee, and to the representation of the Colonies upon it. Now what occurred? Clearly the Prime Minister of this country had nothing to do with that, because it occurred in the summer of 1911.

The Canadian Government having changed in the Autumn of 1911, it was necessary when Mr. Borden and his colleagues visited England this summer, to put these proposals before them, as of course they were unaware of the previous proceedings. Subject to consultation with his colleagues in Canada, Mr. Borden provisionally accepted the resolutions as passed and stated that he saw no difficulty in one of his ministers, either with or without portfolio, spending some months of every year in London in order to carry out this intention. Mr. Asquith and I had, subsequently, several private conversations with him, at which he expressed the desire that the Canadian and other dominions ministers who might be in London as members of the Committee of Imperial Defence should receive, in confidence, knowledge of the policy and proceedings of the Imperial Government in foreign and other affairs.

Mark what the Imperial Government says to the Prime Minister of Canada. He wanted something more than what had been given before.

We pointed out to him that the Committee of Imperial Defence is a purely advisory body and is not, and cannot under any circumstances become a body deciding on policy, which is and must remain the sole prerogative of the cabinet, subject to the support of the House of Commons. But, at the same time we assured him that any dominions minister resident here would at all times have free and full access to the Prime Minister, the Foreign Secretary and the Colonial Secretary for information on all questions of Imperial policy.

Now this is what the Conservative newspapers have been heralding all over the country as a great achievement in the way of imperialistic attainment on the part of this Government. This proves it to be absolutely hollow and a mockery. The arrangement whereby Canada was to have the right to send representatives to the Committee of Imperial Defence was made to Sir Wilfrid Laurier and his colleagues in 1911.

Now we are asked in this, the fourth period of the history of our relations to the Empire in regard to naval defence, to support a proposition to give $35,000,000 to the Mother Country. It is clear that the Prime Minister when he went to England was compelled to say to the Imperial Government, you must let me give you a contribution; it is the only way out of it? The evidence upon that is indisputable. He could not do anything else, because he had tied himself up in every possible way and he knew, even before he went to see them, that that was all he could do. Let us consider some of the things that we could do with the $35,000,000. Hon. members discuss the Georgian Bay canal. Those $35,000,000 would pay one-third of the cost of the Georgian Bay canal. Over in England, where the people are taxed to the extent of only 15 per cent as compared with 18 per cent in Canada, they are giving back to the poor men and women old age pensions, and a tremendous amount of that money does not come from the plain people of the country, but from the rich people. Why, with those $35,000,000 we could inaugurate in Canada three or four times over a system of old age pensions and capitalize it for a long term of years. Then all over the country there are demands for increased transportation facilities, for the construction of railways, and yet in order to help the Conservative party out of their hole on this navy question, all these problems and improvements, the Canadian people are told, must go by the board. We will send this money to England, they say; we care not what you say. That is the position which these gentlemen are in. By their policy they will acomplish nothing for Canada, and absolutely nothing for the Empire. According to the Minister of Marine and Fisheries, the ships which we propose to build in Halifax would be no good in six years, but if that is so, then the ships which they propose to contribute would be no good in six years. I observe that the Minister of Labour has come back to the House. I am sorry he was not here a little earlier to have heard a little discussion about some of his colleagues who are not one flag and one navy men on this question. What is the Conservative party saying all over the country now? While the Prime Minister is saying one thing here and member after member is getting up and declaring that Canada cannot build ships, that they cost too much, and that they will be obsolete before they are built, what is the Prime Minister's own organ in Halifax saying:

Mr. Borden's Administration, which has been only fifteen months in power, has a majority of nearly fifty in the House of Commons. At the recent election the people were aware that the thought of giving an emergency contribution to the British navy, to be followed by the establishment of a permanent Canadian navy, but only after the project had been submitted for their approval.

Mr. LEMIEUX: Is that Senator Dennis?

Mr. MACDONALD: Yes, Senator Dennis, whom the Prime Minister esteemed so much that he promoted him to the Senate in order that he might be near him to give him inspiration. The Prime Minister tells the people of Nova Scotia that this is the hour of their opportunity, and he dangles before them the prospect of a Canadian navy while most of the members behind him are denouncing it at every stage. To that proposition we offer an alternative for which every Canadian in this House and out of it ought to stand by virtue of the fact that he is a Canadian, the alternative proposition that we shall have a fleet unit

on the Atlantic and one on the Pacific thus relieving the Mother Country of the duty of policing and looking after the two oceans which wash the shores of our country. That is a policy which is inspiring and one to which we attach the condition that here in Canada, with Canadian men, with Canadian money, with Canadian brains, as Sir George Reid of Australia said, we propose to go on and carry it out. I say it is a proposition worthy of a Canadian in this 20th century.

I venture, Mr. Speaker, even at this late hour, to deal for a little with the question of whether we Canadians can build ships. When I sat in this House and heard the Prime Minister, who comes from my own province, where as a boy he knew that there was not a creek, not an inlet, not a harbour, where men could not or did not build ships—when I heard him say that nothing of a decent character could be built up in this country within a quarter or perhaps half a century, I wondered whether he realized the humiliating spectacle he was presenting to the Canadian people. Why, Sir, talk about the Mother Country; they never built a steel ship in England until 1877. Is that fifty years ago? What a man in the British Isles can do, sturdy and all as an Englishman is, I have enough pride in my fellow-citizens to think they can do just as well. It was not until after the discoveries in steel, perfected by Bessemer and Siemen, that it was possible to build steel ships. In that connection let us see what my hon. friend from North Simcoe said in 1910. Speaking in this House, he said:

> Now, Sir, of this total steamship tonnage of 35,478,878 tons, Great Britain owns approximately about 50 per cent. Various authorities give our Canadian steam tonnage classification on the same basis as 200,000 tons, and deducting our lake tonage we have 100,000 tons on the ocean. In other words our tonnage is in proportion to British tonnage as 1 to 177. If we take an estimate of the value of British commercial ships and their earnings we will get at the reason of the huge expenditure on the British navy from the business standpoint, and we will find that this is one of the greatest revenue producing industries of Great Britain, and the greatest contributor to the enormous wealth and revenues of that country.

It is well that every Englishman knows it. If you talk about the English taxpayer being burdened for the support of the navy, let me tell you that there is not a dollar practically that goes into the navy that does not go to the workmen at Belfast, on the Clyde, or at Newcastle-on-Tyne. It never goes out of the country and the wealth of the country is never decreased. Mr. Currie noted that fact, and it is one of material importance.

Let us see what is done in other countries. Is Canada a hermit nation that cannot do anything? Let us take Austria-Hungary; there they have 22 armoured ships all of which have been built since 1895, 14 of which were built in Trieste not very long ago. Take Brazil. We are apt to regard with some pride the people of this northern portion of the continent as being in some sense superior to the people who live in South America. Brazil has 5 armoured ships and 11 cruisers, all built since 1895 and every one of them built in her own shipyard at Rio de Janeiro. Take China, effete China still in barbarism, 14 cruisers, all built since 1895 and in 1900, twelve years ago, they originated in China two shipyards of their own where they have been building all their ships. Take Denmark, a small country; they have 5 armoured ships and 3 cruisers all built at Copenhagen within twenty years. Why cannot we do it in Canada? Take Italy; 27 armoured ships and 16 cruisers all built in their own country in less than twenty years at Genoa, at Speria, at Venice, and at Castellanunare. Japan emerged from barbarism a little earlier than China. What about Japan? They have to-day four shipyards in that country. They have built 27 armoured ships and cruisers in their own country since 1897. They only began to build ships in Japan in 1897, and yet the Prime Minister of Canada practically insults the people of this country when he tells them that they cannot do it inside of fifty years. Mark you farther—we talk about our English shipbuilding. To-day they are building in England the Iron Duke of 25,000 tons and the King George V. of 25,000 tons. These are the biggest ships they are building in England. Out in Japan, where they never built a ship until 1897, they have five huge yards in which they are building the Kobe, 27,500 tons and two other vessels each of 27,500 tons. They are building these tnree vessels, bigger than the biggest vessels which are being built in England at their shipyards over there. What they can do in Japan surely we can do in Canada. Take the Netherlands, a small country; they have their own yard at Amsterdam and since 1892, they have built 18 armoured ships, cruisers and smaller vessels. Take Norway; they have their own yards at Horten and Christiania where they have built ships for twenty years. Take Portugal; is there any Canadian who is willing to say that we will take second place to Portugal, that a Canadian citizen has not as much brains intelligence, capacity, that our artisans are no good, that we cannot produce ships here as well as in Portugal. The Prime Minister says that when he tells us that we cannot do it within fifty years. In Portugal they have been building ships since 1895 at Lisbon, and their new yard is started there. Take Spain; they only be-

gan to build ships in 1892. They have three shipyards and they have built 17 armoured ships and cruisers. Take Sweden; they only began to build twenty years ago and they have 18 armoured ships and cruisers. They have three big shipyards at Stockholm, Gothenberg and Maleno. Take Turkey, the sick man of Europe, the nation that may be wiped off the map in Europe whatever she may do in Asia; there they have been building cruisers in their own shipyards since 1893. We cannot do that in Canada according to this great Government, this Government, that asserts it is the lineal descendant, and inherits all the traditions, of the men who, twenty-five years ago, promulgated the gospel of Canada for the Canadians. A splendid successor; When the hon. Minister of Public Works delivers that speech which he always delivers to this House when he gets on his feet, about the grand old national policy, I want him to tell us where this policy of his rings in under the national policy. I want to tell the hon. gentleman that when he adopts a policy which means that, although you can build ships in Japan, in England or in any other place in the habitable globe, you cannot start to build them in Canada, it is not the policy of the once great Liberal-Conservative party.

As to the United States, my hon. friend from St. John (Mr. Pugsley) told us a wonderful story about the development of Quincy, Massachusetts, as illustrating what can be done with regard to ship construction in a country. When I tell you that the first armoured ship that was ever built in the United States was only built in 1893, twenty years ago—and that statement is made on the strength of the authority of the Naval Review of England—and when I tell you that they have no less than eight large shipyards all over that country and that they have built, since 1897, fifty armoured ships and twenty-three cruisers, and that only six ships in commission in the United States were built before 1897, sixteen years ago, do you mean to tell me that the statement of the Prime Minister can be seriously regarded anywhere in this country in the light of these facts?

As I have said, in the olden days of wooden ship-building in the Maritime provinces, all the way from Quebec, in every inlet and harbour around that coast until you came to St. Andrews, you could hear the click of the workman's hammer in the winter days as the keel was laid and the ships rose until they were ready to be launched in the summer of the succeeding year. When the decay of wooden shipbuilding began because of the introduction of iron and steel, why did not the Canadian people go on building ships? Because we had no steel industries in Canada. If we could have had our steel plates rolled in Canada at that time the maritime instincts of our people would still have found encouragement and the supremacy which we enjoyed, far in advance of almost every nation in the world of double our population, would have been maintained. But, we had no steel industries and that is the reason why we did not go on. What is the state of affairs to-day? In Sydney, in New Glasgow, at the Soo, in Montreal, in Hamilton, at Fort William and other places there are in the country numerous large steel companies producing everything that you need in steel. Any Canadian steel manufacturer will tell you that they can make steel rails and every other article manufactured from steel just as well in Canada as they can in England. There is no mystery about manufacturing steel plates. In 1910, my versatile friend from North Simcoe made the statement in this House, and I have since verified it and found it to be correct that when the Dominion Steel Company heard in 1910 that the Government proposed to build ships in Canada, they sent abroad for machinery and they have it in their works to-day, by which inside of two months they could proceed to roll steel plates of all kinds that might be required in Canada for ship construction. My hon. friend from North Simcoe said in 1910:

> The Dominion Iron & Steel Company have a large mill for the rolling of plates but they have it housed out in a shanty because under existing conditions they could roll in a month all the plates used in Canada in a year. But if you undertake a substantial policy of this kind, they will soon erect their mill and in a short time we would not only be rolling iron plates but be able to furnish all that the country required. The time will not be far distant when we will make our armor plates because the nickel that goes into the armor plate of the world comes from this country. We will also be able to make our guns and even tender for the building of warships for the British navy.

When the contract for the Quebec bridge was to be let two years ago, an English bridge company tendered and contended that it was impossible in Canada to build such a bridge, but when the Dominion Bridge Company composed as it is of up-to-date business men, provided a proper plan which was approved by the engineers, and asserted that they were able to build that bridge, the late Government committed the task to them, and these Englishmen went home and complained about the Government of Canada giving the contract to Canadians. And, Sir, I venture to say that this Canadian firm will construct that Quebec bridge, just as well, if not better, than could the English firm which tendered. In my own constituency, fourteen years

ago, there was built the steamer Mulgrave, 485 tons owned by the Dominion Government, and now operating between Port Mulgrave and Point Tupper. The plates were brought from Glasgow, but the steamer was built there from top to bottom, and if there were a demand for the manufacture of plates in Canada, the Canadian steel companies would be prepared to manufacture just as good plates as could be made in Glasgow. If you have the steel plates, then there is no reason why you cannot build the hull of a steel vessel anywhere in this country, and the manufacture of the machinery will follow as a matter of course. And yet there are to be found in Canada some people who preach the humiliating doctrine that go where you will throughout the world you will find people able to build ships, but when you come to Canada, Canadians have not the ability, or the energy, or the enterprise, to do so.

The manning of the ships was the greatest dread of the Postmaster General, and I have something to say on that point. Along our seacoast, down through Quebec, in Nova Scotia, in New Brunswick, in Prince Edward Island, there grew up in the olden days a race of men who manned Canadian merchant ships and carried the flag of England to every port of the world. To-day, you will find Canadians commanding and manning the best steamers that sail the ocean. Start from New York to the West Indies on a winter trip, and you will find these great passenger ships commanded by sons of the Maritime provinces. The shipbuilding industry decayed in the Maritime provinces, there was no local interest and no local ownership in vessels, and in the course of years there was no interest for the sea-faring people to seek employment in these large sea-going vessels. True, you will find them to-day navigating their small boats and schooners and amongst that hardy race are numbers of men, who, were the incentive offered, would be ready to respond to the call of the navy. Mr. George E. Drummond of Montreal is a pretty good authority on industry and in 1902, speaking at the meeting of the Chambers of Commerce of the Empire in Montreal, he gave his opinion as to what Canada could do in regard to ship-building in these words:

> The Canadian Government should at once enter into negotiations with one of the great British shipyards, to induce them to establish a branch at one or other of our Dominion ports. It is almost certain that with such a contract as our Government would have to give, supplemented by the business to be secured in the building of merchant vessels, and possibly additional aid from the Imperial Government in the way of contracts, there would be little difficulty in persuading one of the great British shipbuilding firms to establish works on Canadian soil, bringing with them naval architects and expert shipbuilders and founding an enterprise of vast importance to Canada, and probably of very great service to the Empire. While these warships must be built in Canada, the specifications should be made by the British Admiralty Board, and the ships when completed should be satisfactory to that Board.

That is just what was proposed by the Liberal Government. Mr. Drummond continued:

> I am convinced, sir, that our contribution to Imperial defence should be based upon the idea of relieving the central authority of all cost of defending Canada, and I hold that in undertaking this duty a magnificent opportunity will be afforded our Government and people to establish in Canada the enterprise of shipbuilding to foster the production of armour plate, for which with our wealth of nickel and iron, we are equipped by nature in a very exceptional way. In establishing and developing such enterprises we will at the same time be making Canada in the matter of appliance and munitions of war, a base of supplies on this North America continent which in time of war on either the Atlantic of the Pacific would be of incalculable value to the whole Empire.

There is the opinion of a practical iron and steel man who knows what can be done in Canada. Take the opinion of Admiral Sir John Colomb and Mr. William White, who were designers of the Imperial navy for years, and they are on record as saying that it was a mistake for the Empire to concentrate its construction and repair shops in any one part, and that the Empire could not be preserved if there did not exist means whereby in case of difficulty or distress the naval armament of the Empire could be put into fighting shape in the different overseas dominions. Sir, upon that question it does seem to me, the argument is all one way. I digressed for a moment on this question of ship-building to point out what George E. Drummond said upon the question. Now, if my hon. friends, in 1911, instead of carrying out their deal with the Nationalists of Quebec, had accepted the contract which had been submitted to them by the ship-building firms, who were willing to engage in the construction of ships in Canada, there now would be rising in this land the hulls of vessels which would be the harbingers of a most material growth and expansion in the line of ship-building, and would have been the basis of an industry of which every Canadian would be proud. When they tell us: You cannot get Canadian capacity, or pluck, or industry, competent enough or great enough or intelligent enough to produce these ships, it seems to me that the men who make that statement can only be said to be insulting the Canadian people. As for the question of manning these ships, if the conditions under which Canada shall produce the ships are established, there will rise from

every creek, from every inlet, from every harbour on the Atlantic and on the Pacific men who will be found ready to go into Canadian vessels and will be proud to carry the flag whether in peace or in war.

I have but a few more remarks to make. I wish to summarize one or two things. Against this theory of contribution, we have Australia's example, we have the agreement of 1911; we have the expression of the British authorities who declared that the policy of co-operation of the overseas dominions in the establishment of local navies was a correct one; we have the opinion of Mr. Winston Churchill; we have the opinion of Sir Charles Tupper, the former leader of the Conservative party; we have the opinion of Lord Charles Beresford; we have the opinion of Lord Milner, the opinions of Mr. Deakin and Mr. Fisher of Australia; and we have in addition to that the opinion which was expressed by the Montreal Gazette a short time ago. The Montreal Gazette discussed seriously the attitude of these gentlemen who talk about co-operation in defence and in trade with the Unionists on the other side, and warned them against trying to force this thing so far. When the Prime Minister went to England and made his arrangement—which he says he did not make, though, when he spoke on this naval question and spoke of 'co-operation in trade as well as in defence' I do not know what he was talking about if it was not an arrangement—he took his inspiration from the class of men like those who came here last summer. Take the gentlemen who went back to England and told the intelligent people there that he had not found one man in Canada in favour of home rule. He could not have run up against the Minister of Justice (Mr. Doherty), or against the Minister of Militia (Mr. Hughes)—for while the hon. Minister of Militia is not strong for home rule himself, he could have told this gentleman of a lot of bad men who were. Think of the audacity of a man like Mr. F. E. Smith, who comes over to Montreal, dines with some one at the club there, takes the next steamer back to England then undertakes to explain to the people of England the opinions of the people of Canada: The Montreal Gazette warns this Government against having anything to do with these people:

> There are many things to be thought of in Canada in connection with naval and military outlays. Probably a third of the people are not of British descent. Probably not a tenth of them were born in the British Isles. They do not all see things through London spectacles. It is a notable thing that they not only accept but readily accept all that comes to them in the way of duty to the Empire. The extremists cannot expect or hope for any more. They should leave what is well to develop what is better by natural process. To force the growth may be harmful. It is especially likely to be harmful also when the talk directed to the colonies seems intended to have effect on the domestic politics of the United Kingdom, with which matters certainly the colonies should have nothing to do.
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> 'A people with a story of such character does not need to have the drums beating all the time to make it think right. If it did it would not be true to the stock from which it sprung. The talkers should rest their intellects for a while. They do not understand what their efforts may produce. Canada is going forward. The experiement of the late Government in the matter of naval preparation, while it did not show the results that had been expected by those who directed it, was on the line of assuming a responsibility that local conditions would not have made seemingly necessary for many years perhaps. It was accepted by the mass of the people as proper.

The Gazette goes on and warns its friends who sit on the treasury benches against the danger of forcing an unreal imperialism upon the people of this country. I, for one, believe in the permanence of this Empire. But I warn the men who, under pretence that they are doing something that will make for the permanence of this Empire, are overstraining the proposition. The Canadian of 1930 who finds this land destitute of defence at sea, destitute of shipyards, destitute of the munitions of war, will say of the Tory Government of 1913 that they were poor Canada builders and poor empire building indeed

Sir, naval defence is assured, whichever policy is adopted, because to-day, England, stands according to all her statesmen, as absolutely impregnable, absolutely safe beyond question of any kind, at any rate until 1920. Under these conditions, let Canada go on and in the meantime provide for her own future, provide for this outpost of Empire overseas, provide the conditions under which we can build our ships to assist the Empire. Let us go on to do that, and we shall be doing our part and doing that for which those who come after us in this land will give us credit. Shall our maritime strength be renewed and our money be spent in Vancouver, Montreal, St. John and Halifax for the construction and development of the ship-building industry in this land, or shall we send our money over to be spent in England, to be spent in Belfast, or on the Clyde, or in Newcastle-on-Tyne. That is the issue before the Canadian people. Sir, if by any misfortune this policy should ever pass this House, I venture to predict that it will be repealed and repealed before many months are over. I appeal on this question, not to men like the Minister of Labour (Mr. Crothers), whose partyism is of such hide-bound character that if tory-

ism proposed to do anything which deliberately and beyond all question injured Canada, and this were made manifest to him, would stand for it——

Mr. CROTHERS : May I ask the hon. gentleman a question ?

Mr. MACDONALD : No, the hon. gentleman can address the House after I have finished.

Mr. SPEAKER : I think the hon. member is going a little wide of the mark. It is not permissible to attribute improper motives to any member of the House.

Mr. MACDONALD : I was not attributing motives, Mr. Speaker.

Mr. SPEAKER : To say that the Minister of Labour would do anything that——

Mr. MACDONALD : I did not say he would do anything. I said he would vote anything the Conservative party would propose.

Mr. SPEAKER: I give my understanding of the hon. gentleman's language. Of course, it is my duty to say that it would be rather straining the rules of debate.

Mr. MACDONALD: I did not say he would do anything; I said he would vote. I am not appealing to him, Mr. Speaker, but I appeal to those hon. gentlemen on both sides of this House who believe in the theory that a Canadian is as good as any white man under the sun; who believe that members of this House are loyal, whether they sit on the right of the Speaker or the left. Whatever hon. gentlemen may say on the back benches, or in the excitement of elections; whether they follow one leader or another, they are proud of their country, anxious to do their part in this their day and generation so that the ties of Empire may be cemented and strengthened; so that this Canada of ours may be peopled by a population proud of its Imperial connections. To them I appeal to so act that, in exercising as they now do one of the powers committed to them by the Confederation Act of 1867, those who may come after us may say we did our duty and prepared a condition favourable to their greatness, their prosperity and their continued loyalty to Canada and the Empire.

Mr. D. D. McKENZIE: (North Cape Breton): Mr. Speaker, at this somewhat advanced hour of the evening, it may be thought that we have heard enough of this question, but the alleged emergency of the matter is such that I desire to discuss it a little further. I am sure that the people of Canada and hon. gentlemen of this House will not begrudge the time devoted to-day to this debate, and will not consider that the time was not well spent, in view of the very admirable addresses delivered to the House by the hon. member for Bonaventure and the hon. member for Pictou, who has just taken his seat. I have been a member of this House for a great many years, and have heard many excellent addresses by members on both sides of the House, but I think it is my duty to pay to these two hon. gentlemen the tribute that never before in this House, or, perhaps, in any colonial parliament, has any subject been dealt with more ably or on a more lofty plane than the manner in which it has been dealt with by these hon. gentlemen. Hon. gentlemen who sit on the government side of the House give the impression, by their silence and absolute refusal to take any part in this debate, that it is a discussion which is unprofitable, and not called for by the people of this country. I think I can assure those hon. gentlemen that the time is not far distant when the people will want to know the pros and cons of this great question that is now before the House, and that they are not begrudging the time we occupy in its discussion. When the opportunity comes, they will severely call to task hon. gentlemen having upon their shoulders the responsibility of government, who have muzzled and gagged their friends and supporters, and will not permit them to express an opinion upon this question.

Twice during the address of the hon. member for Pictou he was interrupted by hon. gentlemen on the other side who have shown some signs of life and some little desire to express their views. If there is any hon. gentleman upon that side of the House who now wishes, in a proper and constitutional way, and according to the rules of this House, to express any opinion or put his views before the people as an answer to the hon. member for Pictou or the hon. member for Bonaventure, I shall be glad to give way to him, and to give him an opportunity of expressing his opinion. A very serious statement has been made by the hon. member for Pictou, and a quotation of far-reaching effect on a constitutional point has been made by him, in reference to an expression made some years ago by the hon. the Minister of Justice. When the Minister of Justice sat on this side of the House, as a member of the Opposition, he was regarded as a high authority in legal matters by the party of which he was then a strong supporter. He came into this House as a gentleman of high reputation, and one who for many years occupied a high position in the courts of his province, and it was only fair, and reasonable that his opinion on legal matters should bear considerable weight in this House. The statement

quoted to-day as made by the Minister of Justice was to the effect that there was no constitutional power on the part of this Parliament to do anything by way of assistance to the Mother Country until that question was submitted to the people of the country; that is, if we are to follow along the lines laid down in the constitution, that we have no jurisdiction, and that if we had any jurisdiction at all, it would have to be through what is known as direct legislation, after we had received the authority of the people of the country. If there is anything wrong with that quotation; if that was not his view at that time, or if it is not his opinion now, I offer to him the opportunity of putting himself on record as going back on that declaration of law which he gave to Parliament at that time. Failing to do this, we must believe he stands by that opinion, and that to-day in this Parliament we must accept from the Minister of Justice the best legal authority on the Government side of the House, the constitutional dictum that we are supporting a resolution, and will support in this House, which is without any constitutional foundation. That is the opinion of the Minister of Justice, and that he fails to deny when he is given an opportunity of doing so.

I wish to refer to my friends from the Maritime provinces who are struck with dumbness and silence on this question. It has been held out to us for years that the building of a navy in the Dominion of Canada was to be a great boon for the province of Nova Scotia, and we were told that it would revive the old days in that province. But the Premier now comes forward with a policy intended, I believe, to strike a death-blow at our highest ambitions in that respect. Hon. gentlemen representing the famous province of Nova Scotia, all along the coast of Nova Scotia, from Digby to Halifax, seeing this death-blow struck at this great industry of Canada, sit silent and dumb in their seats in this House, and have nothing to say except to give their assent to a policy which wipes away every hope that we have in respect of this great industry in our province. I submit to you, Sir, and to the people of Nova Scotia that this is not the line of action that we in Nova Scotia expect from them and this is not the line of action that will be approved by the people of Nova Scotia; and if they think by their silence, by their indifference on this question that they are going to make themselves solid with the people of Nova Scotia politically, they are very much mistaken. We have in the province of Nova Scotia and always have had men with a particular genius for the building of ships. We had for many years past and have to-day men who could build ships out of the raw material in the backwoods of their own farms. We had men who built those ships, equipped them from stem to stern, rigged them in every particular, loaded them with passengers and sailed them across the seas to Australia and New Zealand where they sold the ships and became settlers, with their passengers. That is the kind of people we have in Nova Scotia and are we to be told that their descendants are of such a class that they can do nothing but be subjected to this humiliating position by the Prime Minister that it takes twenty-five or thirty or fifty years for them to develop into anything like the other countries by which we are surrounded and which are making names for themselves in the building of ships. I am sure that such an aspersion will not receive the sanction or approval of the good people of Nova Scotia, and my friends in Nova Scotia and New Brunswick and Prince Edward Island will see that while they send men here to represent their ideas in the House of Commons on questions of this kind, by some mysterious wave of the magic wand of the Prime Minister their mouths are stopped and they become perfectly dumb and have nothing to say. The importance of this country and our situation in the Empire is such that our attitude on a question of this kind is of the highest possible importance. This is not a small country, we are not an insignificant part of this great Empire; we are the oldest, the largest and the first colony of the Empire and the policy which we adopt on a question of this kind is of the first importance, not only to ourselves but to the Empire at large. It is said that we have not done anything for the last forty-five or fifty years towards the advancement of the defence of this country, that in fact we are indebted to the British Empire for everything that was done in the way of our defence. That is to some extent stated in the state paper read by the Prime Minister on the 5th of December in this House. I am sorry that any such statement should be made in the House by any minister. It is quite possible that we have not done very much in the building of fortifications, of guns or of warships, but we have done much indeed for the general advancement and spread of Britishism and British authority and power in this country. We have a large country, we have an area equal to that of the great republic to the south of us, we have a country capable of making happy homes for an equal number of people. If the United States is capable of being the home of 100,000,000 happy and contented people, Canada is capable of being the home of the same number. They have somewhere about 100,000,000 people to-day in the United States and I do not think it is an exaggeration to

state that they are capable of comfortably housing or making homes for twice that number, possibly 250,000,000. If that is so, this Canada of ours is capable of doing the same thing. We have started preparing the soil, preparing the country to be the home of hundreds of millions of British born and men who come to this country and become British subjects, and in making homes for them under the British flag we are doing ten times more for the general advancement of the authority of our King, the prosperity of our country, its growth and advancement than anything that could be done by any line of militarism that could have been taken by our people. We are not to be told or to believe that we have done nothing for the general advancement of this country for the last forty or fifty years, forsooth, because we have not built any fortifications or warships. I submit that what we have been doing and what we are doing to-day is equally important and equally calculated to promote the general advancement of our country. From the history of the people to whom I belong, I need not be afraid to make any statements about the relations of my ancestors and my own relations to the British Empire and Crown. I do not care whether anybody thinks I am disloyal or not. I know my own history, and I know the history of my people. I know the history of the province from which I come, and I know too well that anything of that nature which may be said about myself or my county or my people will not for one moment be believed, and for that reason I am absolutely indifferent what gentlemen on the other side of the House may say on that subject. I therefore feel that I have the same right to speak in this House of Commons as the representative of one of the good, loyal counties of the province of Nova Scotia, as any member of the House of Commons of England has to speak in his House, representing any section of the country, nor do I admit that because I am a born Canadian and a member of the Canadian House of Commons, I am less a British subject or have less privileges, less standing and less authority than any other subject of His Majesty, be he born wherever he may in any part of the Empire. Therefore, as a representative of a section of this country under the British Crown, I have a perfect right to express my opinion freely, fearlessly, as regards the relations of this country to the British Empire. Will anybody tell me that if Canada was to be wiped off the slate, if Canada was to disappear from the face of the earth to-night or to-morrow morning, that would lessen the responsibility of the British Empire in maintaining its strength against Germany or any other European power? Nothing of the kind. I submit Sir, that while we are perfectly loyal and are perfectly willing to do anything that any subjects of His Majesty can do to maintain the dignity and integrity of the Empire, we are not going to admit for one minute that because we are a great country we are any burden upon the British Empire in the matter of maintaining a navy. We are nothing of the kind. I wish it to be clearly and expressly understood, both in this House and out of it, that while I do not take second place to any man in loyalty to the King and to the Empire, I wish to say fearlessly that it is all bunkum to say that if we do not do our duty we shall impose such a burden on the Empire in the matter of maintaining a navy as to break the back of the Empire so to speak. That view would be perfectly right if by our existence here we were adding anything to the burden, but we are not, and as I have already said, if we were wiped off the slate to-morrow, it would not take one dollar off the burden which the British people have to sustain in maintaining their position in the nations of the world. That being the case, as I view it, I do not think that we should have been called upon so early to take any particular part in this naval question. It is my thorough and honest conviction that we were serving the Empire in building the Canadian Pacific railway, in constructing the canal system of Canada, in making the St. Lawrence the great avenue of trade it is to-day, in building the Transcontinental railway, in developing the great Northwest, in dividing it into provinces and in giving them educational and other facilities. I submit that in that way we were serving the Empire and serving our own country in a manner which should have been recognized by the home government as being more useful than the building up of armies and navies. That is the position which I fearlessly take up on this question, and which, I am sure, sensible men in this country and in other parts of the Empire will admit is a sound and sensible position to take. It is an argument which I am sure, will appeal to the people from the old country who are coming to Canada and finding fair homes amongst us, who are finding the great Northwest opened up to them, places where they can become more prosperous than they have ever been before, where English liberty, English law, English religion, and English privileges are to be found. I am sure those people will say we have done more for them in that way than by giving contributions for navies or armies.

As I said at the beginning, we have heard this subject very fully discussed to-day, and it will go fully before the country. I submit that the time we have devoted to the discussion has been well spent, and I am sure that the people of Canada will be pleased to see that notwithstanding the dumbness that has struck our friends opposite, we are

still capable of going into every phase of the question so that nothing shall be left unsaid. Watching the silence of our friends opposite I thought of a man in the days of long long ago who hardened his heart and who would not listen to any petitions or propositions that were placed before him. I thought of Pharaoh to whom strong representations were made to do the right thing and to let the people decide upon certain conditions. Reasonable propositions were submitted to Pharaoh, but he was invulnerable; he was determined to stand by his position wrong as it was. But I would remind my hon. friends opposite that when Pharaoh went out into the country something happened to him. He never came back; he was never heard of again. We do not know of one argument he ever gave to the great Moses, except stolid silence. I warn my hon. friends on the other side. They are no doubt good students of the good old Book. Let them learn what sort of man this Pharaoh was and what happened to him, and let them come back to this House to-morrow, or at the beginning of the week, and discuss this question fully. They were given the power of speech; they were given positions in this House to speak upon questions of policy and upon questions affecting the country. The very name of this assembly has a meaning. It is a parliament in which the people speak, a place in which the voice of the people may be heard, and in which questions may be argued fully so that the people who are the great jurors may have an opportunity of judging for themselves who is right and who is wrong, and what is the best policy for the country to adopt. But if hon. friends opposite choose to follow the course of the austere king of old who refused to speak, who refused to give audiences or to do anything but go on in his own stubborn way, and who met his deserts, they will receive the same reward. They will not be able to say that they have not been warned of the result of their folly. It is a well known fact, Mr. Speaker that when hon. gentlemen speak in this House they address not only this House but through you the country, and the constituencies, particularly in that part of the country from which I came, look to the expression of opinion in Parliament by their representatives. It will, therefore, be incumbent upon me to go over some of the ground that has been traversed already, and to the best of my ability, to place before the House and before my constituents the history of this question and to trace the stages through which it has passed. It will be my privilege to point out the position which was taken by the hon. Minister of Trade and Commerce (Mr Foster) upon this question and by the right hon. the Prime Minister (Mr. Borden) when he was leader of the Opposition. The position which they took then was the right one. The arguments which they put forward at that time received a hearty response from the people. They were in accordance with the views of the people and Mr. Foster, when he is right, is a different proposition from Mr. Foster when he is wrong. The hon. Minister of Trade and Commerce, when he is taking a logical, clear-cut view of imperialism is a very different proposition from the hon. gentleman when he is playing the cuttle-fish, trying to blindfold the people and getting out of a difficult position by means of the somersaults which he has been performing upon this question in following up the theory which was laid down for him by the people over whom he had no control. I beg your indulgence, Mr. Speaker, while I go categorically into the history of this question. It has already been pointed out that when the hon. Minister of Trade and Commerce brought forth his resolution in the fall of 1909 he did not do it hurriedly or without due consideration. He did it after the resolution had remained on the Order Paper for months and after it had no doubt received the fullest consideration of himself and his esteemed leader. We have the right to believe that his leader considered this question from the fact that, when it was discussed, he gave his full approval not only to the resolution but to the speech made by the hon. member for North Toronto (Mr. Foster). This resolution was well considered and at that time I have every reason to believe contained the centralized, boiled-down opinion of the Conservative party upon the naval question, not only the opinion of the hon. member for North Toronto and of his leader, but of every hon. gentlemen of that party who had a seat in the House. It will be my privilege to read to the House, and through the House to the country, the opinions which he then expressed, opinions which are well worthy of him and which were received with the fullest satisfaction and approval by the people of the country. The first resolution that he introduced is comparatively short. He moved:

> That, in the opinion of this House, in view of her great and varied resources, of her geographical position and national environments, and of that spirit of self-help and self-respect which alone befits a strong and growing people, Canada should no longer delay in assuming her proper share of the responsibility and financial burden incident to the suitable protection of her exposed coast line and great seaports.

It is not very long ago since we had the hon. Minister of Trade and Commerce making another speech in this House—on the 18th of December last. He made no reference to this resolution as far as I could gather from the report of the speech. It was then an entirely different theme.

Here he expresses himself by stating that the time has arrived when Canada has grown big enough, when she has plenty of people and money, to enable her to defend her own ports and seacoasts. The following year he made a speech in this House in which he stated clearly and distinctly that he had nothing in view on that occasion except the proper defence of the seacoast and the seaports of Canada and that he had no notion of extending that resolution to cover anything beyond that. What did the hon. gentleman say in support of that resolution? I want to take the speeches in the order in which they were made and I want to quote from the Minister of Trade and Commerce in support of the resolution as he read it. This, you will understand, is not the resolution which finally passed the House, but it is the resolution as he introduced it and his statement in support of that resolution must be read without reference to any other resolution or any other statement, by way of a resolution, that was made at that time. As will appear from page 3484 of 'Hansard', March 29, 1909, the hon. member for North Toronto moved the resolution which I have just read and supported it by a very able and eloquent speech. On that occasion he used this language:

For a good many years I have been more and more impressed with the necessity of our facing the question involved in this resolution. Nothing particular has been done with it so far in Parliament. I do not think that we mitigate any difficulties by avoiding them, or get rid of any of our responsibilities by evading them, and it seemed to me that the time has now come when the Parliament and people of Canada should sit down together and take stock of the position and come to some conclusion as to whether they have duties, and what these duties are, regarding the great question of the defence of our common heritage.

Now we have, I myself have, all sympathy with that class of good and estimable men who declare that war is horrible, that its burdens are almost intolerable, and that its effects are wide-reaching and in the main injurious, and who, in our country as in others, declare that we want no armaments, no militarism, no defences, that ours is an era of peace, and that we should strive, as best we can, to make good this in principle and in action, without arbitrament of war. But whilst I have sympathy with this view, I have taken into account the history of the world and the lesson it teaches. And whether I be right or wrong, I draw from the history and experience of the world this one great fact that force, absolute physical force, lies at the foundation of all our progress and civilization.

At page 3486 the hon. member for North Toronto is reported to have said:

Sir, into this world of trouble, of uncertainty, amongst this world of nations, Canada has pushed foward to her place. She has taken a position which is important now, which will become more and more important as the years advance. Her ship of state is launched on the world's waters, it is open to every storm, it is exposed to every danger. She cannot escape the common burden, she cannot neglect the common duty, she cannot ignore the common responsibility. I do not believe that she wishes to. Having entered the game, I believe that it is the disposition of the Canadian people to play it valiantly, to play it honourably, and to play it successfully. If her sons have the pride of manhood, as I believe they have, if they know what the stern joy of contest means, if they have proper faith in their high destiny, if they visualize any adequate picture of the future, it seems to me it is up to the people of Canada and to the manhood of Canada to prove their faith and their worth by their works, to grasp the full meaning of their heritage and its responsibilities and to prepare to defend it as well as to develop it.

That was the position that the Minister of Trade and Commerce took on that occasion. There was not a word then that we had not the brawn, brains and the courage and the possiblities of building ships in Canada; the Minister of Trade and Commerce told us that if we were to become the great country we are destined to be, we should commence ship-building at once. At page 3488 'Hansard,' the Minister of Trade and Commerce said:

Well, Sir, suppose to-day, while we are all in fancied peace and security, which is not real peace and security, suppose that to-day a third-class cruiser should show her face in Victoria or Vancouver, in Halifax or Sydney, or St. John, Quebec or Montreal, would not a great deal of this fancied peace and security into which we have lulled ourselves and which we expect to abide in, and never to be interrupted quickly pass away to be succeeded by deep anxiety? The question forces itself on us, six and a half million of people with a mighty heritage and have to-day no adequate defence from a third-class cruiser which might singly appear within our gates.

At page 3489 of the same volume, the hon. minister is further reported as having said:

But as to naval defence, I think we might just as well be frank with ourselves, and say we have done nothing. From the earliest dawn of history, commerce and protection of commerce have gone hand in hand, have sailed the seas, together and worked out their beneficent destiny of development and protection side by side. You cannot point in history to a single commercial people that failed to provide protection more or less adequate for their commerce. We are a people a century old with a mighty heritage of which I have spoken, which is not simply for our own enjoyment, but which is to be transmitted to the generations, the far-distant generations which succeed us. We, to-day, sit in this Parliament and live in this country and we have to acknowledge to each other, if we would be frank, that we have done no

single imperative thing in the way of naval defence. Ah, but one says, 'we have taken over Esquimalt and Halifax.' Yes, we have, and we have undertaken to relieve Great Britain of a certain amount of expense, we have taken them over, and we foot the bills, whatever they are. But we might as well be frank and say that as to their active force, here and now, they do not appear large. You have to judge these things by the test of actual war, and if actual war broke out and cruisers appeared at Esquimalt or Halifax, of what value would these be? Have we the guns? Have we the torpedoes? Have we the machinery? Have we the trained men, even if we had the machinery? Such statements serve to salve our consciences when they prick, they are nice to round a sentence upon on the hustings, but we must come down from all this, we must be frank and that from the point of view of actual naval defence 'They are the basis round and upon which we may build? But it seems to me that is the best that can be said of them.'

It is no stretch of the imagination to believe that the Empire with its component parts in full accord may have at some time dockyards in Canada, one on the Pacific coast and one on the Atlantic, in which will be built not only our own vessels, distinctively Canadian, but a part of the navy of Great Britain itself. It is said that there are fiscal and mechanical difficulties to-day to be overcome; I have mentioned these, they can be overcome. Time and the application of a resonable amount of resource, will overcome those difficulties, and place us where we have had to place ourselves with respect to every other great line of development. We must begin at the beginning, and work faithfully until we gather the skill, plant, machinery and the power to make of ourselves what at first was a physical impossibility for us to make.

That was a sound position taken by the Minister of Trade and Commerce at that time; he was talking the proper doctrine; he was giving utterance to wise and sensible words, uninfluenced by the side winds which afterwards shifted his course. He to-day is standing by the idea of getting hirelings to protect us in our time of need. I wonder if the Minister of Militia and those who sit around the Council Board do not see the distinction between hiring men to defend you, and having true-born Canadians when the time of stress and storm comes to protect their own homes. The Postmaster General (Mr. Pelletier) figured out that we would have to get hirelings to protect us. We have the authority of Scripture, that the hireling, when the wolf comes, will run away, and that it is the true shepherd, in this case the true Canadian, who stands up for the protection of the flock. Sir, Canadians are ready, and willing, and able to defend their homes and their firesides. The Postmaster General tells us there is no necessity for our paying high-class Canadians to serve in our warships when he can go elsewhere and get Russian, Finns, and Hungarians, and people of that class to serve cheaply in our army and navy. He tells us that that is the kind of a Canadian navy the Canadian people will be proud of. We are to have Hungarians and Finns and Russians manning our navy and Canadians can go about their business and earn big money.

Mr. PELLETIER: I never said that; I never thought of saying such a thing.

Mr. McKENZIE: I will read what the Postmaster General did say. Speaking of the upkeep of the navy, he said:

It is an interesting matter to know this: when these great men are launching this great policy, let me tell them that in Canada ordinary seamen are paid fifty cents a day.

It is very startling to the Postmaster General to think that men in Canada should be paid fifty cents a day. We have thousands of labouring men throughout the country watching how the Government stands in the interest of labour, and here we have the Postmaster General declaring that so far as he is concerned, he regards fifty cents a day as too much to pay for any able-bodied Canadian in this country. My hon. friend says:

In Canada, ordinary seamen are paid 50 cents a day; in Great Britain, they are paid 28 cents a day.

There is his speech of a few days ago. I fully expected this denial and I had the book by me.

Mr. PELLETIER: Will the hon. gentleman allow me? I expect fair treatment.

Mr. McKENZIE: That is what the hon. gentleman will receive so far as I am capable of giving it to him.

Mr. PELLETIER: The hon. member said that—

Mr. McKENZIE: Do not spoil my speech by a long interruption.

Mr. PELLETIER: Go on, then; but it is too bad—

Mr. McKENZIE: I am sitting down waiting for what the hon. gentleman has to say.

Mr. PELLETIER: The hon. gentleman has said that I declared that we were to have Hungarians and Roumanians on board our ships and these would form a Canadian defence. I never said anything like that, and I deny the statement. The hon. gentleman quotes a sentence from my speech in which I said that Canadians were paid 50 cents a day and Englishmen 28 cents a day, and he says that this proves his statement. Is that fair?

Mr. McKENZIE: I simply say that the hon. gentleman, as a man of affairs in this country, knows that he could

not get an Englishman of any standing in England to work for 28 cents a day. We know where the low-wage people come from. The hon. gentleman knew where they come from, and for that reason I mentioned the places from which the low-wage people come; and when he makes the statement about getting them to serve this country for 28 cents a day, he must have had in mind the countries I have named. He did not name them; but I know the only places from which these men could be drawn to work for that wage; and it is a fair deduction these were the places that the hon. gentleman was talking about. If he does not refer to Poles, Russian, Finns and these other poor people who are not educated, and who before they can be properly educated in this country are willing to take these small wages and occupy low positions in life—if these are not the people he had in mind, will he tell us where he was going to find the people to man these ships and receives these wages of twenty-five cents a day? Of course, we could not encourage these people to come into this country, and we are going to send the ships over where ships, men and everything will be clear of our shores and we know nothing about them. I submit that that was not the idea of the hon. gentleman who occupies the position of Minister of Trade and Commerce when making his speech on the 29th of March 1909. But before I leave the speech of the Postmaster General let me say that he has a long list here of different classes of wages which he thinks are too big for the men who will defend our country, and we must get a low class of men for that work. I submit to the Postmaster General and to you, Mr. Speaker, that this Canada of ours is big enough to pay for the services of those who defend it; it is big enough to employ the best men we have and give them charge of this part of our affairs and pay them well. Our country should be properly protected, and protected by our own bone and sinew, men who are trained along the line which will make them first-class men for the protection of the country. If we are going to have protection, let us have protection of which we shall all be proud. The highest wages paid to men and officers of the British navy are not too high for us to pay. We have shown the Englishmen in many respects that we can teach them lessons in advancement and prosperity and good wages; and we can teach them in this connection that if we are to have a navy, the man who stands on the deck and does his work there is worth his wages as well as is the man who is engaged in the factory or in any other business. We are not looking for paupers, for low-class men who will work for half nothing. But I want the labouring classes of this country to know that we have a Postmaster General in a Tory Government in this country who regards fifty cents a day as a good wage for a good Canadian, and if he cannot get a Canadian, he will go across the Atlantic and pay twenty-eight cents a day.

Mr. PELLETIER: I again repeat I never said that.

Mr. McKENZIE: What in the world am I to do with this man?

In Canada ordinary seamen are paid 50 cents a day.

Mr. PELLETIER: That is a fact.

Mr. McKENZIE: (Reading):

In Great Britain they are paid 28 cents a day.

That is what the hon. gentleman said. I admit, I gave the matter a little embellishment. But it is necessary to do so in order to have it understood. It would not do to say merely 50 cts. and 28cts., and leave it there. The people would not understand it, and I want the people to understand it. I have said in this House before, and I say it now, that the great Tory party with its connections with the trusts, combines and mergers is not the friend of the workingman. They are willing to pay $35,000,000 to the ship-builders of the Old Country, but 28 cents a day they think enough for the poor man who is to work on the vessel's deck. That is the position taken by so eminent a member of the Government as the Postmaster General.

Mr. PELLETIER: I have never said it.

Mr. McKENZIE: Well, I will not read this over to the Postmaster General any more. He will see it in 'Hansard.' I have read it two or three times and I pledge my word I have not misquoted him, and he can see the speech in 'Hansard' if he thinks I have misquoted him in any way.

When we got into this controversy, I was coming to that part of the speech of the Minister of Trade and Commerce where he was dealing with this very point of the shape that our defence of this country should take. And I was pointing out that he did not approve of the hiring of anybody, much less the hiring of men at 28 cents a day. He wanted to do the thing himself; and, though the Minister of Trade and Commerce is not a very big man, I think he had the idea that he could handle himself in the defence of his country as well as the Minister of Inland Revenue (Mr. Nantel) who is a big, strong man. And he talks as he feels, I have no doubt. He says:

The first and greatest objection which I have to a fixed money contribution is that it bears to do what we ourselves ought to do, as though a man the father of a family in

lusty health and strength should pay his neighbour something per month for looking after the welfare and safety of his home instead of doing that duty himself. That seems to me, when you work it out, to be a basic objection to this form of aid.

That statement, if the Minister of Trade and Commerce was then in earnest, bears upon its face the stamp of logical conviction. I am not now reading the speech of the Minister of Trade and Commerce so much for the sake of putting his remarks upon record as expressing the exact views I myself hold upon this question, and I use his language and his diction for the purpose of putting it in very much better form than I could if I had to shape it from the beginning:

It goes still further than that. Suppose you contribute this year your sum, and next year your equal sum, and thereafter year after year. After ten or twelve, or twenty to thirty years, you will have paid out an immense amount of money. You will have been protected in the meantime; but in Canada itself there will be no roots struck, there will be no residue left, there will be no preparation of the soil, or beginning of the growth of the produce of defence. Yet some time or other no one can doubt that, with resources and with a population constantly increasing, we must and will have in this country a naval force of our own for our coast and home defence.

The interest that we take in a contribution spent by another is not the interest that I desire for Canada. I awnt to see something grafted on the soil of Canada's nationhood, which takes root and grows and develops until it incites the spirit of defence in this country, leads to a participation in the defence, leads to that quick interest in it, its glories, its duties and its accomplished work, which is after all the one great thing that compensates a people for great expenditure either on land or on sea in the way of defence and of the maintenance of the rights of the country.

Again, it disjoins what has been joined together from earliest days of the world's existence—commerce and the protection of commerce. After all, the basic idea of a naval force is the protection of the commerce of a country. A commerce side by side with its protector, and its protector side by side with the growing commerce of a country, flourish best together, and are the surest helpers to each other. That is the idea which is in my mind—that when we make our contributions in the way of a fixed sum and it goes from us, and we are not responsible for it, we have none of the inspiration resulting from the growth and development of a system of future defence in our own country. We are deprived of the larger benefit ourselves and in the future we do no greater service to the Empire of which we form a part, in this matter of defence.

Then again, I think this method ignores the necessities and the aspirations and the prospects of a great people, such as the Canadian people are destined to become. We must have beginnings; these must at first be small; but some time or other as I have said, our country will have its naval force for the defence of this country, if for nothing else. The point with me is as to whether it is not the greater wisdom to sow the seed at once and cultivate its growth, as best we may, in our circumstances and with our resources until at last we arrive at that stage of expansion which we have reached in other great lines of our country's progress.

The first Canadian-owned vessel, built and equipped in Britain, and sent out to defend our coast would become the nucleus and the training-ground of Canadian stokers, Canadian sailors and Canadian officers, and by-and-bye perhaps of a Canadian Admiral on the Canadian coast. How much time would be taken in completing that circle none of us can say, but if we begin the tracing of it and follow it fairly and faithfully, the time must come when we get a complete circle, and have an Imperial adjunct to the British navy for the defence of Canada and the defence of the Empire, in which Canada has some of her body, her bones, her blood and her mental power, her national pride.

That is the expressioin of opinion as given by the then hon. member for North Toronto, and he points out the exact course afterwards followed by the Government of Sir Wilfrid Laurier in respect to this first vessel used in connection with the proposed navy. There was a great deal of fun, if I may use the word, poked at the Niobe, but I have just read the statement of a member of the present Administration to the effect that this vessel would have to be one built and owned in the old country, and brought here for the purposes of starting a Canadian navy in Canada. That being the case, we of the then Government were simply following out the suggestion made by the Minister of Trade and Commerce, and if there is anything wrong with the principle, hon. members supporting the Government must assume the same responsibility, because it came first from that side of the House.

That concludes, Mr. Speaker, any observations I desire to make at this stage——

Some hon. MEMBERS: Hear, hear.

Mr. McKENZIE:—in respect to the observations of the Minister of Trade and Commerce. The hon. member for North Toronto will be disappointed if he thinks I am at all approaching a conclusion. I regret the 'emergency' that is now before the country, and while I think we have had enough of this discussion for one day, I am certainly prepared to do my part, and occupy the time of the House a little longer. The next resolution that was proposed is not the one that finally passed the House, but I have here the resolution proposed by the hon. member for North Toronto when Minister of Trade and Com-

merce, and I think it is proper that I should quote his observations in support of that resolution.

The resolution which finally passed the House differs but slightly from the resolution as first moved by the then Prime Minister (Sir Wilfrid Laurier). The present Prime Minister took occasion to criticise the resolution in its first form, not adversely at all, and he made suggestions which were afterwards accepted by Sir Wilfrid Laurier, and the resolution, so amended, was passed. I said that I took pleasure in quoting the Minister of Trade and Commerce when he was right, when he was laying down proper, logical, clear-cut conclusions, worthy of being followed by the people of Canada. I shall have equal pleasure in quoting to the House and to the country the observations made on that occasion by the Prime Minister when he was right and before he drifted off into paths unknown and into ideas far from consistent with the position which he took on that occasion. Hon. gentlemen opposite think that they are on higher and firmer ground, on a better foundation from an empire standpoint, than they were then. They sneer at hon. gentlemen on this side who are giving their honest convictions and standing by the same logical conclusions that were put forward a few years ago by their leaders. They upheld their leaders then and there has been no earthquake in this country, political or otherwise, to change those conditions since those opinions were expressed. If they were right then the hon. gentlemen who supported them should be prepared to stand by them to-day. We are standing by those opinions and the people will support us in our adherence to these logical and well-considered views. I have read with great care more than once the speech delivered by the Prime Minister of December 5. That speech was carefully prepared, he would not risk delivering it without reading it, so careful was he in his expression. The whole meaning of that speech is that this is a contribution first, last and all the time, and that this is the policy of the Government of which he is the head—and that they will stand by it and nothing else. The whole meaning of that speech is that we can better serve the purposes of the Empire by supporting the one navy and employing the resources of this country in maintaining that navy, keeping up that grand old institution which is a thousand years old, which has gone on from one step to another until it has reached its present high proficiency, that that is the best value we can get for our money and there is no need for anything else. That is the language of the Prime Minister. I listened with interest the other night to the speech of the hon. member for North Ontario. I always follow with interest in military matters the language of a military man, and while it was evident that he recognized the emergency of standing by his party and said that this contribution is all right, he took mighty good care to place himself hard and fast on record as saying that that must not be the policy, that the policy of this country must be a navy built by Canada, owned by Canada, manned by our own people and subject to their will. That is the policy that I understand the hon. gentleman to stand by and that is the policy supported by the hon. member for St. Antoine division (Mr. Ames). The Prime Minister says that there is no need for that, that the best way in which we can use our money is to give it in contribution to the British Government. There is this great line of cleavage, this great gulf divides them. Their position reminds me of an old friend of mine in Nova Scotia who had a controversy with a clergyman on the temperance question. The clergyman gave his opinion and the old man immediately countered by saying: 'That is your opinion, you quote your own opinion only, but here is my good old Bible and here is Moses, and Moses tells me something absolutely contrary to what you say; let me tell you that when you are on one side and Moses on the other I am with Moses every time.' When we have the Premier of Canada saying that there will be only one navy in the Empire and that will be the British navy, and we will be contributing towards its support that is what will go in this House while he is Premier, and not anything that might be said by hon. gentlemen who occupy halfway positions between the front of this House and the back.

Before I read any of the observations of hon. gentlemen opposite in the days gone by, I want to remind my hon. friends of what the Prime Minister said on this very question as to whether we are to continue to contribute or whether we are to have a navy of our own. What I am about to quote is from his speech of 5th December last.

> Without intending or desiring to indulge in controversial discussion, I may be permitted to allude to British naval organization. Obviously, one could not make a very complete or thorough study of so great an organization in a few weeks, or even a few months; but during recent years, and especially during the past summer, I have had occasion to learn something of its methods, its character, and its efficiency, and good reason to conclude that it is undoubtedly the most thorough and effective in the world. There have been proposals,——

Mark you, there have been proposals

> —to which I shall no more than allude, that we should build up a great naval organization in Canada. In my humble opinion, nothing of an efficient character could be built up in this country within a quarter or perhaps half a century. Even then it would be but a poor

and weak substitute for that splendid organization which the Empire already possesses, and which has been evolved and built up through centuries of the most searching experience and of the highest endeavour. Is there really any need that we should undertake the hazardous and costly experiment of building up a naval organization especially restricted to this Dominion, when upon just and self-respecting terms we can take such part as we desire in naval defence through the existing naval organization of the Empire, and in that way fully and effectively avail ourselves of the men and the resources at the comand of Canada?

That to me, whatever it may be to hon. gentlemen opposite, is absolutely conclusive that what the Prime Minister had in his mind was that this policy of contribution is the beginning of a series of contributions from this country, and that we are not to have anything else while the present party is in power and while it is led by the hon. gentleman who to-day occupies the high and honourable position of Prime Minister. Now, I cannot hope to finish this evening, and with your permission, Mr. Speaker, I would move the adjournment of the debate.

Some hon. MEMBERS: Go on.

Mr. ROGERS: The hon. gentleman has been speaking for some time now, and he might go on and finish his speech, and let us get on with our work.

Mr. McKENZIE: I cannot hope to finish my speech to-night. It is now 12 o'clock and I think it is unfair to ask me to go on.

Mr. ROGERS: I do not want the hon. gentleman to feel that we are at all unfair to him, but he ought to bear in mind that we have had only two speeches to-day. We have spent a great deal of time and shown a great deal of patience in listening most attentively to those speeches, and I am sure my hon. friend will feel we are not doing him an injustice in asking him to go on. I may say that we shall be prepared to adjourn as soon as he is through with his speech.

Mr. McKENZIE: I did think that at this late hour we would be treated to an adjournment. As I stated a moment ago, I have already gone over the ground so far as the observations of the Minister of Trade and Commerce are concerned, and I shall now give quotations from the speeches of the Prime Minister himself when he supported the policy which we are supporting now. We have not changed on this side at all, and the quotations which I am about to give from the speeches of the Prime Minister are exactly in harmony with the proposition that the present opposition is supporting. The observations I am about to quote were made in criticising the resolution when submitted to the House by the right hon. the leader of the Opposition in its original form. The Prime Minister said:

But, Mr. Speaker, let us not forget also that a national status implies national responsibility. It is of no use for us in Canada to speak of this country as a nation, and to shrink in any manner from the discharge of our national responsibilities. What are those responsibilities? Acknowledged in every civilized community, recognized among all the great nations of the earth, a primal responsibility is the defence of their territories and the protection of their countries. I do not gather, Mr. Speaker, that my right hon. friend dissents in any way whatever from the enunciation of that principle which was laid down this afternoon in such eloquent terms by my hon. friend the member for Norht Toronto.

On page 3519 of the same volume of 'Hansard,' the Prime Minister is reported as having said:

I come now to a consideration of the resolution which has been moved by the right hon. the Prime Minister, and I will say that with many portions of it I am in entire sympathy. But, I would like to make one or two suggestions to the right hon. gentlemen, and I do not make them in any party spirit or in any carping spirit, because if there is one thing more than another that I would desire it is that the policy of Canada on this great question, and the resolution announcing it should meet with the absolute and unanimous approval of this Parliament and of this country. What suggestions I have to make, I make with the sincere desire that we may shape a resolution of which we can all approve and which shall go forth to the world as a ringing declaration that if the mother of nations has to fight the battle of her life, the people of Canada without distinction of party or of creed will stand by her side in that fight. This is too great a question for the introduction of party strategy; it is a question in respect to which we should all rise superior to all party motives.

On page 3521 of 'Hansard,' the Prime Minister is reported as having said:

Just one word as to the further amendment which I would like to suggest to my right hon. friend.

Then he read the resolution:

The House will cordially approve of any necessary expenditure designed to promote the organization of a Canadian naval service in co-operation with and in close relation to the Imperial navy, along the lines suggested by the Admiralty at the last Imperial Conference, and in full sympathy with the view that the naval supremacy of Great Britain is essential to the security of commerce, the safety of the Empire and the peace of the world.

The Prime Minister proceeded:

I would be glad if my right hon. friend could accept the suggestion of inserting in that paragraph some word which would indicate an intention to act promptly. If my right hon. friend would insert before the word 'organization' some such word as 'im-

mediate' or even 'early,' I think it would meet with my approval, and I do not think it would be disapproved of by any hon. member of this House. Now, I understand what the right hon. gentleman contemplated in 1902. At that time he looked to the establishment of a Canadian naval force. At page 18 of the proceedings of the Imperial Conference of 1902 the First Lord of the Admiralty announced this:

Sir Wilfrid Laurier informed me that His Majesty's Government of the Dominion of Canada are contemplating the establishment of a local naval force in the waters of Canada, but that they were not analogous to those enumerated above.

Then, further on, in the written statement of my right hon. friend, the following is to be found:

At present, Canada's expenditure for defence or defence service is confined to the militia side. The Canadian Government are prepared to consider the naval side of defence as well. On the sea coast of Canada there are a large number of men admirably qualified to form a naval reserve and it is hoped that at an early day a system may be devised which will tend to the training of these men and to the making of their services available for defence in time of war. I suggest to my right hon. friend that we should put something in this resolution which would point to prompt action. In 1902 we told the Imperial Conference that we intended to do something, but up to the present, seven years afterwards, we have done nothing. If the resolution of my hon. friend were so amended I think it would commend itself to the unanimous approval of the members of this House.

That was the statement made by the leader of the Opposition on that occasion and, in response to the suggestion he made, the resolution was amended by the then Prime Minister and passed the House in the shape in which it has been before the country ever since. That was a resolution in favour of a Canadian owned, Canadian built, and Canadian manned navy. There is no good reason why any gentleman who supported that resolution should not be prepared to stand by the policy of our party to-day. The Prime Minister, then the leader of the Opposition, went to England very shortly after that resolution was passed and he took occasion to express his opinions in the very shadow of the throne as to the resolution. If he had had any doubts as to what would be the proper thing to be done in England, if he had any doubts as to what the popular idea with the home Government would be, he would certainly not have expressed anything that he would not have regarded as being in accord with the accepted opinions of the English people. We are not obliged to speculate as to what he said. We have it here. We have heard it before but I promised at the beginning that I would put on record the ideas that were expressed by hon. gentlemen opposite in those days when they were talking freely, honestly and conscientiously and when they had no designs upon the country from a party standpoint such as they have to-day. These words are well known, they are on record and what he said in Great Britain at that time was a statesmanlike expression of opinion by the leader of the Government. He said:

Some feeling was created in the British Isles owing to the fact that Canada did not, by resolution or by speech from the Prime Minister vouchsafe the offer of one, two or three dreadnoughts. The resolution in the form in which it was passed, while its terms might not upon the surface seem as significant as the offer of one or two dreadnoughts would have been, laid down a permanent policy for the Dominion of Canada which would serve a more practical purpose than any such offer of dreadnoughts.

When the Prime Minister came back to his own province, and after he had had plenty of opportunity of discussing and thinking over the resolution passed by this Parliament on the 29th March previously, he addressed his own people in the city of Halifax and what did he say?

How the present Administration will work out the policy which was outlined by the resolution to which I have alluded, remains to be seen. One governing principle, at least, should control, namely that out of our own materials, by our own labour and by the instructed skill of our own people, any necessary provision for our naval defence should be made so far as may be reasonably possible. In this connection may not we hope that there shall be given a stimulus and encouragement to the ship-building industry of Canada which has long been lacking? To-day should be Nova Scotia's opportunity in that regard. Providence has endowed this province with the material, with the men and with the maritime situation which are essential not only for developing a scheme of naval defence and protection, but also for the resuscitation of that ship-building industry which once made Nova Scotia famous throughout the world.

That is the position which was taken by the Prime Minister in the city of Halifax where his own people were looking forward with great expectations and hope to what the policy of the then Government was to bring to the country and which they expected their own representatives to support. He said further:

In so far as my right hon. friend the Prime Minister to-day outlined the lines of naval defence of this country, I am entirely at one with him. I am entirely of opinion in the first place that the proper line upon which we should proceed in that regard, is the line of having a Canadian naval force of our own. I entirely believe in that.

. . . . . .

The other experiment (that is the contribution idea) has been tried as between Australia and the Mother Country, and it has not worked satisfactorily in any respect. In Great

Britain the contribution has perhaps been regarded as rather unsatisfactory. In Australia it failed, in the end, to meet with the approval of the people.

I have a few more quotations from statements of the right hon. gentleman and then I am through with what he had to say. He talks about war with a thrust of his shoulders and says what he is prepared to do:

If the Germans prove themselves the greater race, if they have greater endurance, greater skill and superior organizing ability, more sincere and self-sacrificing patriotism, they are entitled to be supreme on the sea as they are on the land, we have no right to resent the challenge.

I want my hon. friends to pay attention to this in view of the cheque writing heroism which we see in this country now.

But, unless the ancestral blood flows less red in our veins, we shall meet it with a heart no less firm than that with which our forefathers encountered the shock of the invincible Armada. I am the descendant of those who have never lived under any other than the British flag since it first streamed the free breezes of Heaven. I am as profoundly and unalterably attached to British institutions and connections and as ready to work and if necessary fight for them as any man in Canada.

That is an expression of opinion given by the leader of the Government, but I can imagine that when he spoke of fighting, when he used the word 'fight.' the Postmaster General immediately grasped him by the coat-tail and said: Fight? A man getting your wages? What fight can you make?

The idea of getting a man to fight who has $46.33 a day! Why, says the Postmaster General, I can get all the fighting material I want in this country for 26 cents a day. Then the Postmaster General said: I myself get $30.35 a day, and the Minister of Inland Revenue gets $30.35 a day, and you could not with a crowbar get us out to fight; we don't do it. The idea of you talking about fighting with a salary like that when, says the Postmaster General, I can get a Russian Finn for 26 cents a day that is twice your match in a battle; stay at home Mr. Premier and don't talk nonsense. At this stage the Minister of Marine comes in and he says when a man in my province talks fight, he has the seabreath in his nostrils. The Minister of Marine and Fisheries told us a few days ago that down in New Brunswick he had men with marvellous nostril capacity, and he told us that if ever the day came when there was any fighting to be done, particularly sea-fighting, the nostrils of these men gave evidence of great fighting possibility. When the Postmaster General was keeping the Prime Minister from fighting, this explanation came from the Minister of Marine and Fisheries; that the sea breeze would get in his nostrils. But, said the Postmaster General, I have a remedy for his nostrils, I will put under his nose this Rogers-Macdonald election drug, and that is so malodorous that it will drive all the salt air in the Bay of Fundy out of his nostrils, and he will not talk fighting any more. That was the dialogue that took place between my hon. friends when the Prime Minister waxed eloquent and talked about his blood being no less red than that of his forefathers, and told us that he would stand up before any German that ever was born. Of course the Postmaster General warned him that his salary was not of the fighting kind and that he had better be careful.

An hon. MEMBER: What are you reading from?

Mr. McKENZIE. It is not necessary for gentlemen on this side to read their speeches, they can make good speeches without reading them. I am sorry that these extempore speeches made on this side of the House are not so palatable to hon. gentlemen opposite as the canned variety to which they are more used. I do not think I will trouble the House at this late hour with any further quotations from the speech of the Prime Minister.

Some hon. MEMBERS: Hear, hear.

Mr. McKENZIE: I am glad I am able to please my hon. friends opposite; they want some cheer. I am glad to be able to help them out of that Egyptian darkness and gloom in which they have spent the last few months and to give them a glimpse of the Promised Land. As we have been promised that we can go home as soon as I am through with my speech I will not detain the House much longer. It is admitted by hon. gentlemen opposite that they are only supporting this policy of contribution because there is an emergency, and where are we to get the facts upon which to base the opinion that there is an emergency? Surely the best authority would be the First Lord of the Admiralty in Great Britain who is responsible to the people of Great Britain and to his colleagues in the British Cabinet. I challenge the Prime Minister or anybody else in this House to point to one syllable that has ever been uttered by the First Lord of the Admiralty in England or by any Minister of the Crown in England which says that there is an emergency in the old land, or that there is any condition which the people of England are not able themselves to cope with. They have the men. They have the money, they have the ships; they have everything that is necessary to defend the heart of the Empire, and they have the fighting blood

in them. In all parts of the Empire; in the old land, throughout the overseas dominions they have the Irish blood, the Scotch blood, the English blood, that is prepared to fight if fight is necessary. I submit that there is not the slightest emergency in any part of the Empire. The First Lord of the Admiralty told the people of England on the 18th of March last, when presenting his Naval Estimates in the House, that he was reducting the present vote for the Admiralty by £2,300,000 and that even then they had more than enough to provide for the defence of the Empire against any possible enemy that might arise. I need not weary the House by reading this speech. It is in the hands of hon. members and they know I am quoting absolutely that speech of the 18th of March last. And, what further does he say which throws light upon the effects of this proposal on our part to provide three additional ships? He says it is the greatest possible folly to build even one ship for the navy except as it is required. He says the moment a ship is built it becomes heir to all the ills that tend to the scrapping of a warship. Yet we volunteer three ships which must be premature in their birth and must come to naught before their time. We want to provide $35,000,000 to be expended in a country where it is not wanted and where the man who is responsible for this department of affairs tells his own people and the world that he has got all the money that he wants. He is asked by a member of the House: How much money do you want? And his answer is: I have in the estimates all that I want, all that can be profitably spent. Hon. gentlemen opposite tell us that since that speech was made there have been great developments and important information has been disclosed by reason of the new German law. But that new German law, as explained in the memorandum submitted by the Prime Minister only means two battleships and two smaller vessels. Surely the great Empire to which we belong with its five hundred millions of people, with its vast wealth at home and abroad, is not to be startled out of a course on which it had decided by the fact that in six years the German nation intends to build two warships and two smaller vessels. The First Lord of the Admiralty supplemented this speech with a discussion of the new navy law. This I think, was on the 16th of May. He stated that the members of the new Canadian Government were coming to England to discuss the matters with respect to the navy. And he went on to say that in ten years Great Britain had been securing the heart of the Empire, and that the next ten years would be devoted to supplementing this condition in the overseas dominions. The great thing for the Canadian people, for the Australians and for the South Africans to do, was to build up the naval requirements of their own country, so that, all being secure at the centre, the wings might be secure also. If this be correct, and we have every reason to believe that it is, is it not plainly the duty of the Canadian people to build up on the shores of Canada, both on the Atlantic and on the Pacific, such a defence as will be worthy of our great country, such a defence as will not only secure our own shores but will enable us to take a first class position in the defence of the heart of the Empire should that be necessary? There is no man in Canada who will not give his time, his energy and his money for the defence of the Empire. But the proper thing is not to send money out of our country but to utilize it here among ourselves. We have a country of nearly eight millions of people. I submit that the training of that people in any line of action is not a small matter or one to be neglected. What development shall we have in this country by reason of this proposed expenditure? I need not tell hon. gentlemen of the training in engineering and ship-building that might be given to our people through the inauguration of this great industry in our country. You do not merely read a book to a person if you wish him to learn to read. The book must be given to the person who is to learn to read. In the same way, if you wish to build up a people and make them capable, you must trust them with the industries that make for capability. Are we to be told that when, in a few years, we shall have twenty or thirty millions of people, our country is to be helpless so far as defence is concerned, that we are to have no development on this line and that our money must be sent to a foreign country to hire these twenty-eight-cent-a-day men to defend our magnificent heritage? Is that a policy of which the free people of the west will be proud? Is that the position that our proud English speaking friends from the Pacific coast will welcome with gladness, that we are to have twenty-eight-cent-a-day Hungarians on the decks of English ships in the North sea as the representatives of our idea of Canadian home and national defence? That is not the idea of the people of this country. Our people want to have their own defence in their own hands. We are loyal to the Crown, as we have always been and always will be. And we scorn the idea that there are any people in this country except those who are loyal. And I submit to our friends that it is a poor class of politics to say that any section of this country, whether Grits or Tories, or any other, are disloyal to the Crown. That is poor politics, and a poor announcement to make to our friends across the line—that half the people of Canada are not loyal. There are matters

on which we can legitimately divide without dividing on questions of loyalty. So far as this side of the House is concerned, and so far as the party is concerned which is here represented, we wish to stand by the principles laid down by this House on the 29th of March, 1909, when Grit and Tory, French-speaking and English-speaking, were of one opinion and favoured one policy. That was the right policy. There we stand at the present time, and I believe the Canadian people stand there also. This House may do what its majority may think proper, but, as Paul of old appealed to Caesar, so shall we appeal to Caesar, and we shall get a decision on the principle of Canada for the Canadians—Canadians capable of carrying forward and putting into operation a Canadian policy making for the development of Canadian interests, setting forth and polishing this first jewel of the Empire, rendering unto it a lustre brighter than it has ever before attained, and placing it in a position which the capacity of the Canadian people within the bounds of the Empire, loyal to their King and country, will occupy and sufficiently deserve.

Mr. MARTIN (Regina) moved the adjournment of the debate.

Motion agreed to, and debate adjourned.

On motion of Mr. Rogers, House adjourned at 12.50 a.m. Friday.

HOUSE OF COMMONS.

FRIDAY, February 7, 1913.

The SPEAKER took the Chair at Three o'clock.

REPORTS AND PAPERS.

Telegraph statistics of the Dominion of Canada for the year ended June 30, 1912.—Mr. Cochrane.

IMITATION BUTTER AT SASKATOON.

Mr. J. A. ROBB (Huntingdon): Before the Orders of the Day are called, I desire to draw the attention of the hon. Minister of Agriculture to a statement published this morning in the Ottawa Citizen:

> Saskatoon, Saskatchewan, February 6.—Out of forty-four samples of butter examined here in the past few days by City Bacteriologist Buckell, only one, so far, has been approximated pure butter. The other samples are composed largely of lard stearin and beef stearin, mutton fat, renovated butter, etc. Food Inspector Davies states there are four or five firms, either in eastern Canada or Winnipeg, shipping the stuff here.

I am sure the Minister of Agriculture will see the importance of at once looking into this matter with the view of maintaining the reputation of Canadian butter.

Mr. BURRELL: I have not seen the article mentioned by my hon. friend; but so far as I gather from what he has stated, this is a matter of adulteration of food and comes under the department of my hon. colleague, the Minister of Inland Revenue. I will take notice of the item and have it looked into either by my hon. colleague or by myself.

WEST INDIAN TRADE AGREEMENT—STEAMSHIP SERVICE.

Mr. PUGSLEY: I desire to call the attention of the Prime Minister to a matter connected with the ratification of the treaty with the West Indian colonies. It was stated by the hon. Minister of Trade and Commerce (Mr. Foster) that the Bill would come up for a third reading some days ago, but for some reason it has been postponed. It is stated in the newspapers that, in connection with the working out of this proposition and the providing of a steamship service between Canada and the West Indies, the Minister of Trade and Commerce is seriously considering the awarding of a contract under which Boston, in the United States, will be made a port of call. This is a matter that commands an unusual amount of attention in the city of St. John, and the people there —and I believe the same is true of Halifax —are bitterly opposed to the subsidized steamers calling at a port in the United States. I had intended, and I believe some other hon. members on this side also, on the third reading, to discuss this very important matter. May I ask if the Prime Minister can give us assurance that no contract will be entered into allowing the subsidized steamers to call at Boston until this Bill comes up for the third reading, that the matter may be discussed?

Mr. BORDEN: It is not customary to give assurance on such subjects. However, as my hon. friend seems to be somewhat disturbed over the situation, and as I know there has been some rumour both in St. John and Halifax along the line that he mentions, I can only say that I do not think the people of Halifax or St. John, or my hon. friend, need give themselves the slightest concern in the matter.

Mr. PUGSLEY: Then we have the assurance of my hon. friend to this effect. I am satisfied that his statement will be received with great pleasure by the people of the maritime provinces.

NAVAL FORCES OF THE EMPIRE.

Consideration of the proposed motion of Mr. Borden for the second reading of and concurrence in the resolution reported from the Committee of the Whole for in-

creasing the effective naval forces of the Empire, and the proposed amendment of Sir Wilfrid Laurier thereto, resumed from February 6.

Mr. W. M. MARTIN (Regina). When a matter so important as this comes before us, I have no apology to offer for taking up some of the time of the House. This is a question which may change the whole political history of Canada, and may, and I believe will, change the whole future relations of Canada as a nation within the British Empire. I am somewhat surprised, as other hon. members who have spoken on this side have been surprised, to note the apparent lack of interest in this great question by hon. gentlemen sitting on the opposite side of the House. This matter was introduced into this Parliament on the 5th of December last. Prior to that time, the Prime Minister and some of his colleagues had gone to Great Britain for the express purpose of finding an emergency. They came back during the summer, and I noticed by the Conservative press throughout the Dominion that there was, according to the information the Prime Minister had obtained, a great emergency in the naval history of the British Empire. I waited for a period of three or four months. I expected that the Dominion Parliament would be called together almost any day, that its members from the Atlantic to the Pacific would be called upon to leave their business and come here in September or October to deal with this great emergency. A little later, I saw it stated that Parliament would not be called probably until January, 1913. And finally, the Prime Minister, in the face of this great emergency which they say exists decided to call this Parliament together on the 21st of November, 1912, which in my experience as a member, of this House, is the latest date when this Parliament has been called together for a fall session. And then, on the 5th of December, the resolution we are discussing was introduced by the Prime Minister. There did not seem to be great urgency in carrying on the debate. A few speeches were made before the Christmas holiday; after the holiday, a few more speeches were delivered, and for the last two or three weeks not a solitary speech has been delivered by a member on the Government side. I hold that in connection with a question of this kind it is the duty of every man who has a seat in this House to discuss the question and have it put squarely before the people. I would not say that the Prime Minister has gagged his supporters in this House. I think I recognize in this matter the fine—or shall we say the coarse—hand of the present Minister of Public Works (Mr. Rogers). He has carried on in the Manitoba legislature tactics of this kind. One or two members of the Government would discuss a subject and then they would say: We will leave it to the Opposition. I would like to say to the Minister of Public Works —I am sorry he is not in his place—that he will find that in the Canadian Parliament he cannot carry on the same tactics that he has carried on in Manitoba.

I know that a number of members from the West would like to speak on this subject—and one of the excuses I have for speaking is that very little has been said by members from west of the great lakes. The hon. member for Brandon (Mr. Aikins) did make a speech which I had not the pleasure of hearing. I have no doubt that I missed a splendid oration and a most enlightening discussion of this question. Except this hon. gentleman, there has not been a single gentleman from the prairie provinces on that side of the House who has discussed the question. And yet this is a matter of very great interest to the prairie provinces.

It may be said that we are not interested in the question of a navy. I may say however that in going through Ontario since I came to Ottawa at the beginning of this year, I found more people in this so-called loyal province of Ontario, who are opposed to the navy—opposed to doing anything at all by way of contribution or constructing a Canadian navy—than I have found in the constituency of Regina or in the whole province of Saskatchewan.

I am sure that a number of members from Manitoba and the West sitting on the other side of the House would like to speak on this question. I am sure that my hon. friend from Souris (Mr. Schaffner) for the last two or three weeks has been spoiling for a chance to make a speech on the navy. I have seen him a number of times in the library within that time, and I know that he is carrying a speech on this subject in his pocket. But there is one hon. gentleman on that side whom I should particularly like to hear, the hon. member for Calgary (Mr. Bennett). He has been to the very foot of the Throne. He has been hobnobbing with the Privy Councillors of the British Empire. I am sure that on his tour he must have found many things of interest to this House, and I have no doubt that the hon. member also is spoiling to make a speech. But, for some reason, the supporters of the Government have been gagged by some one high in authority in the party. Sitting upstairs in my room recently, I heard noises proceeding from an adjacent room where a Conservative caucus was in progress. I would suggest to hon. members opposite that they make less noise in their caucus and a little more noise in the House.

I said a moment ago that I had met many people in the province of Ontario who were not in favour of contributing anything or doing anything towards assisting the British navy or in maintaining the

naval supremacy of the British Empire. I believe that if you would take a referendum of the people of the province of Ontario on the three questions: Do you want contribution ? Do you want a Canadian navy ? Do you want to do nothing at all in this matter ?—the majority of the people, outside the city of Toronto, would vote in favour of doing nothing at all. I do not say that the people from the province of Ontario are disloyal, but we have heard from scarcely any members representing constituencies in the province of Ontario in regard to this very important matter. Evidently these hon. gentlemen are afraid to get up in their places and express their sentiments as supporting the Government's proposition. I do not say these people who assert themselves as not being in favour of doing anything are disloyal; I do not agree with them, and a large majority of the people I have the honour to represent do not agree with this view—it is largely a matter of opinion. These gentlemen from the province of Ontario say: We do not want any navy; what danger is there of our being attacked? While I respect their opinions, I say that in view of what has been taking place in respect of the warlike preparations of other nations during the past few years; in view of the fact that Germany has been increasing forces on land and sea; and that other nations of Europe have been increasing their naval armaments to a great extent, we in Canada must do something towards maintaining the supremacy of the British Empire on the high seas. I say this not on the basis of the statement that we owe a great deal to England. The Minister of Marine and Fisheries (Mr. Hazen) has arrived at the conclusion that we owe a billion dollars in cash to Great Britain, but surely it is impossible for hon. gentlemen on either side of the House to make any calculation as to what stated sum of money Canada owes to Great Britain. What we do owe to Great Britain is the benefit we have received in our civilization, out liberty, our right of free speech—which by the way, has been apparently gagged on the other side of the House—these things we owe to Great Britain, for Great Britain is to-day the greatest civilizing force known in the world. The only question is, how are we to pay this debt? In this consideration lies the difference between the opinions of the two political parties of Canada to-day—the question is as to contribution, or the construction of a Canadian navy.

The Minister of Inland Revenue (Mr. Nantel)—I will perhaps quote him to a greater extent further on in my remarks—says that we have done more than our share towards naval supremacy by the construction of transcontinental railroads. Be that as it may, the fact remains that we have been too busy in this country developing our natural resources and building great railroads, and linking the provinces of Canada together, to give very much consideration to our naval forces. I think I am safe in saying that the first time this matter was mentioned in the House of Commons was when the present Minister of Trade and Commerce (Mr. Foster), on March 29, 1909, moved that famous resolution which has been so often mentioned in the course of this debate. That was the first time, at least in my experience in this House, that this matter was discussed to any great extent.

I listened the other evening with considerable interest to the remarks of the hon. member for North Perth (Mr. Morphy), and I have heard similar sentiments expressed in other speeches made in connection with this debate. He said that in the year 1912 Canada did not spend one dollar towards the maintenance of the naval supremacy of the British Empire, or for the purpose of doing anything for the construction of a Canadian navy. This is what he said:

> Great Britain spent some $86,835,000; Australia, 11,000,000; New Zealand, $500,000; the little island of Newfoundland, $15,000; India, $500,000; South Africa, $475,000; and Canada—not a dollar.

The hon. member for North Perth stated that Canada did not spend one dollar in the year 1912. Whose fault was that, Mr. Speaker? This Government came into office on October 10, 1911, after that famous resolution of March 29 had been agreed upon in this House by both political parties, and after a considerable expenditure had been made by the late Administration under the provisions of that enactment. Some hon. gentlemen have said: Your navy is a tin-pot navy; the Niobe is no good and the Rainbow is no good. I do not know whether they are or not, but to hon. gentlemen opposite I would say that if the Niobe and Rainbow are not good ships why did they not, in 1912, spend some money in the construction of a small Canadian navy in this country, thus carrying out the provisions of the resolution of March 29, 1909? The responsibility for the position which Canada occupies to-day in the eyes of the Empire must rest upon the present Administration.

In listening to the debate which took place in this House when the matter was brought up in March, 1909, I was very much impressed with the fact that the two political parties on that occasion were apparently united on the policy of constructing a small Canadian navy for the protection of our sea coasts and our Atlantic and Pacific trade. I discussed the matter with

hon. gentlemen on both sides of the House, and there was manifested a general feeling of pleasure that the time had come when Canada might herself adopt a policy of constructing small fleet units or cruisers for this purpose. That was the general policy adopted in 1909, and, mark you, under very peculiar circumstances, for if there ever was reason to believe in the existence of an emergency in the history of the British Empire, it was in March, 1909. And what was the cause of this condition? Mr. Arthur Balfour, had made his famous speech in the House of Commons in connection with the naval supremacy of the Empire, in the course of which he said that because Britain had dropped what was known as the two-power fleet construction, and had dropped the building of about one ship a year, Germany had taken advantage of the cessation and pressed forward and was building as quickly as possible. In three years Germany would be equal, if not superior, to Britain in the North sea, and Britain's supremacy would be challenged. He fixed April 1, 1912, as the crucial time, when Germany would probably have twenty-eight dreadnoughts, as opposed to Britain's twenty-five. But April 1 has come and gone and what is England's position as compared with that of Germany? Britain had eighteen dreadnoughts and Germany ten. As I have said, in the month of March, 1909, a general feeling of alarm was manifested throughout the British Empire, and the direct result of this condition was an offer on the part of Australia of two dreadnoughts, an offer from New Zealand of one dreadnought,—and what did the hon. member for North Toronto have to say upon this question? All he had to offer was this miserable little resolution involving the construction of a Canadian navy, and at the same time he offered strong arguments as against a policy of contribution. Let me place this resolution on record:

That, in the opinion of this House, in view of her great and varied resources, of her geographical position and national environments, and of that spirit of self-help and self-respect which alone befits a strong and growing people, Canada should no longer delay in assuming her proper share of the responsibility and financial burden incident to the suitable protection of her exposed coast line and great seaports.

In the face of this feeling of alarm existing in the British Empire, all the member for North Toronto could squeeze out was this resolution, and in 1913, when the security of the British Empire was never on a firmer basis, he tries to tell us, in words that might well become a war-scare artist, that there exists in the British Empire to-day a great emergency. I wish to place on record the amended resolution passed in March, 1909, and agreed to by both political parties in this House without, as far as I am aware, one dissenting voice:

This House fully recognizes the duty of the people of Canada, as they increase in numbers and wealth, to assume in larger measure the responsibilities of national defence.

The House is of opinion that under the present constitutional relations between the Mother Country and the self-governing dominions, the payment of regular and periodical contributions to the Imperial treasury for naval and military purposes would not, so far as Canada is concerned, be the most satisfactory solution of the question of defence.

The House will cordially approve of any necessary expenditure designed to promote the speedy organization of a Canadian naval service——

I will ask you to note that the word 'speedy' was inserted at the request of the present Prime Minister of Canada. It was not sufficient to have a resolution simply expressing the principle of having a Canadian naval service. It must be inaugurated 'speedily,' according to the policy of the present Prime Minister.

—in co-operation with and in close relation to the Imperial navy, along the lines suggested by the Admiralty at the last Imperial Conference, and in full sympathy with the view that the naval supremacy of Britain is essential to the security of commerce, the safety of the Empire and the peace of the world.

The House expresses its firm conviction that whenever the need arises the Canadian people will be found ready and willing to make any sacrifice that is required to give to the Imperial authorities the most loyal and hearty co-operation in every movement for the maintenance of the integrity and honour of the Empire.

As far as I am concerned, and the people I know in western Canada, we stand by the principle enunciated in that resolution of Parliament of March, 1909. That resolution contemplated nothing more or less than a Canadian naval service of our own, built up in Canada, built of Canadian material and manned by Canadian men. That is what the Minister of Trade and Commerce argued for at some length and with great eloquence in March, 1909. I wish to place on 'Hansard' some remarks he made during that debate, they are most enlightening. Speaking in favour of the resolution which he moved in 1909 the Minister of Trade and Commerce emphasized the following points against a policy of contribution. He said, in effect, that the idea of making a money payment was not right, it seemed too much like hiring some one else to do our work, it looked like hiring a man to protect one's family and a money contribution smacked too much of tribute.

That, I think, is a fair summary of the remarks of the Minister of Trade and Commerce in 1909 opposing the principle of a contribution in support of the British navy. His words were:

The first and greatest objection which I have to a fixed money contribution is that it bears the aspect of hiring somebody else to do what we ourselves ought to do; as though a man, the father of a family, in lusty health and strength, should pay his neighbour something per month for looking after the welfare and safety of his home instead of doing that duty himself. That seems to me, when you work it out, to be a basic objection to this form of aid.

It still remains basic.

If it was an objection to the policy of contribution in 1909, surely in 1912 or 1913 it is equally an objection; it looks too much like hiring some one else to do the work we should do ourselves, it looks as though the Dominion Government of the day were shifting the responsibility of Canadian naval defence on to the Empire which hon. gentlemen opposite say is so much burdened and over-taxed and on its last legs, so to speak, to-day.

It goes still farther than that. Suppose you contribute this year your sum, and next year your equal sum, and thereafter year after year. After ten or twelve, or twenty, or thirty years, you will have paid out an immense amount of money. You will have been protected in the meantime; but in Canada itself there will be no roots struck; there will be no residue left, there will be no preparation of the soil, or beginning of the growth of the product of defence. Yet some time or other, no one can doubt that with resources and with a population constantly increasing we must and will have in this country a naval force of our own for our coast and home defence.

I ask the Minister of Trade and Commerce, why does not the Government make a beginning to-day? Once this contribution is made it goes to England, it may be no use to England, what good has it done to Canada? Have you started any Canadian force of your own or rooted anything in Canadian soil? The same argument that was good against it in 1909 should be equally good in 1912-13. Again he said:

Again, it disjoins what has been joined together from the earliest days of the world's existence—commerce and the protection of commerce. After all, the basic idea of a naval force is the protection of the commerce of a country. A commerce side by side with its protector, and its protector side by side with the growing commerce of a country, flourish best together, and are the surest helpers to each other. That is the idea which is in my mind—that when we make our contributions in the way of a fixed sum and it goes from us, and we are not responsible for it, we have none of the inspiration arising from the growth and development of a system of future defence in our own country. We are deprived of the larger benefit ourselves, and in the future we do no greater service to the Empire of which we form a part in this matter of defence.

Why do not the Minister of Trade and Commerce and the Prime Minister proceed at once to carry out the statements made by the Minister of Trade and Commerce and the whole Parliament of Canada in 1909 and start a Canadian naval force of our own? Supposing we put it off for ten years, we will have to start it then, but we will be ten years behind, and basing my opinion on what other nations have done, we could, in that time, have a small naval force in Canada that would protect both the Atlantic and Pacific coasts.

The point with me is as to whether it is not the greater wisdom to sow the seed at once and cultivate its growth, as best we may, in our circumstances and with our resources, until at last we arrive at that stage of expansion, which we have reached in other great lines of our country's progress. You will notice that while I have tried to discuss the pros and cons in connection with this method, while I have stated reasons in favour of and others against it, my own mind tends rather towards the employment of another form than that of an out and out money contribution.

I shall also read a brief extract from the speech of the Prime Minister, then the leader of the Opposition, who said:

In so far as my right hon. friend the Prime Minister to-day outlined the lines of naval defence of this country, I am entirely at one with him. I am entirely of opinion, in the first place, that the proper line upon which we should proceed in that regard is the line of having a Canadian naval force of our own. I entirely believe in that.

Here were the two great Canadian parties in 1909 at one in connection with this question of naval policy. Here were the two men who are to-day the leading ministers of the Cabinet, the Prime Minister and the Minister of Trade and Commerce, saying that they were in favour of a Canadian naval service built in Canada, manned by Canadians and built with Canadian money, to protect our unguarded sea-coast. That was their policy in 1909 and 1910 and, I believe, until the Naval Service Act was introduced. Why, since coming into power, have they changed their policy and expressions and ideas in connection with this great question now before the Canadian people? I believe they were forced to change their ideas in connection with the construction of a Canadian navy and take up the policy of contribution by the Nationalist element in Quebec. Let me refer to some of the doctrines preached by these gentlemen who were Nationalists in Quebec in the summer and fall of 1910. We all know that in the province of Quebec there was a strong campaign against the so-called Laurier naval policy and

practically in favour of doing nothing at all. Nationalists who occupy seats here to-day went throughout Quebec telling the people of that great province that if the Laurier naval policy went into force we would have conscription in this country, and they endeavoured to scare the people—with success in some districts—from supporting a Canadian navy. Some of the statements made by these hon. gentlemen are a disgrace to the public life of Canada. I have had people in western Canada say: Do you mean to tell us as a fact that these Nationalists in Quebec, in alliance with the Conservative Government, this Government with the great pretence of loyalty, made any such statements in Quebec? This kind of thing is having a very bad influence upon the people who are coming into this western part of Canada. Men coming from other countries say: Is it possible in this great Dominion of Canada that two elements can live together in the Canadian Government, one pretending to be out and out loyalists and the other saying that they will have nothing to do with England and the English? Let me refer to two or three statements made by some hon. gentlemen opposite, but first of all, let me direct the attention of the House to a stock form of resolution that was generally used in the province of Quebec. I find, in the Canadian Annual Review for 1910, page 188, a resolution which was moved, I believe, at St. Eustache on July 10, 1910. I shall only read the important parts of this resolution. The resolution

> Expressed readiness to defend the rights of the Crown and the soil of the country; proclaimed the principles of self-government and strenuous objection to 'any new policy, the result of which would be to draw us into distant wars, foreign to Canada; so long at least as the self-governing colonies of the Empire shall not enjoy with the Mother Country, and upon an equal footing, the sovereign power and authority'; denounced the policy of centralization and apparent Imperial unity.

I wonder what these hon. gentlemen have to say to-day with respect to the whole naval policy of the Government tending towards centralization in England and meddling with the foreign policy of Great Britain. It

> Acclaimed as essential to Canada a policy of peace and material development; urged the right of free discussion and the necessity of the people deciding this issue; denounced the navy policy as having thrown Canada into 'the vortex of militarism' and misappropriated, for the construction of murderous weapons and the preparation for bloody wars, millions 'destined to the development of our agriculture and means of transportation'; censured Mr. Borden as having urged a 'no less nefarious policy' and Parliament for not submitting to the people a proposal involving a 'tribute of blood and a load of military taxation.'

That was the stock resolution passed not only at that meeting but at a number of subsequent meetings. It is a condemnation not only of the so-called Laurier policy, providing for the construction of a Canadian naval service, but also of a policy of contribution without submitting the question to the people. In what position these Nationalist members find themselves with their constituents, supporting as they apparently now do a policy of contribution, I will have to leave entirely to themselves.

I find, that, following up the passing of this resolution, a number of these hon. gentlemen made speeches in the province of Quebec which were designed to stir up the passions of the people of that province and I repeat that some of these speeches and some of the resolutions that were passed were a disgrace to the public life of Canada. I find that even our Deputy Speaker (Mr. Blondin) is reported, in the Canadian Annual Review for 1910, at St. Louis de Blandford, October 29, to have said:

> We owe nothing to Great Britain. England did not take Canada for love or to plant the cross of religion, as the French did, but in order to plant its trading posts and make money. The only liberties we have won are those we won by force, and to-day England tries to dominate its colonies as Imperial Rome once did.

What must you, Mr. Speaker, a loyalist of the loyalists in this country, think of the action of the Government, at the very first opportunity, in taking the hon. member for Champlain and making him the second commoner of Canada, what must you think, Mr. Speaker, of this action of the Government that was elected as a result of flag waving and the cry of no truck or trade with the Yankees. 'Canada for the Canadians' was heard from every platform, the flag was waved from one end of this country to the other and yet one of the first actions of this Government was to take to their arms the man who made statements of the kind that I have just read. I find that even the hon. Postmaster General (Mr. Pelletier) who occupies a very prominent position in the affairs of this country, has been guilty of some remarks of that kind. I find in the Canadian Annual Review, 1910, page 194, that on October 26 the organ of the Postmaster General, L'Evenement, a paper published in the city of Quebec, used the following language with respect to the Drummond-Arthabaska election:

> The spirit of party is so ingrained among us that it is not impossible that certain old Vons would have preferred a Bleu candidate. They fully understand, however, that the question at issue is not one of Bleu or Rouge, but of liberty, of autonomy, of protection against militarism. Two years ago everybody was in accord with this point—no Imperialism. Sir Wilfrid Laurier himself directed, or at least appeared to direct, the opposition to militarism. He hes betrayed us, but the

mass of the people remain faithful to the principle of autonomy and hostile to Imperialism.

On October 24, 1910, the same paper said:

Slowly, as Mr. Chamberlain said, we have been brought to the point—thanks to the feebleness and duplicity of Laurier—of spending fifteen millions. In two years they will be asking us for twenty millions Once we are on the train they will make us pay well. We will be in the crime up to the neck.

These are statements published in the paper owned and controlled, I believe, by the Postmaster General. I might point out statements made by the hon. Secretary of State (Mr. Coderre) who opposed any expenditure on a navy in Canada and also opposed a contribution.

Mr. EDWARDS: What about the former members for South Huron and Nicolet?

Mr. MARTIN: The hon. gentleman did make one speech and I do not think he will take the place of any other hon. gentleman on his side of the House and make another speech. He should give his fellow members an opportunity. What about the position of the Government when they came into office? There is no question but that the leading men of the Government were in favour of the construction of a Canadian naval service. In the province of Quebec the Nationalist end of the Conservative party said: We will not have any navy; we will not have any contribution. The Imperialistic end of the Government were desirous of making the Nationalists swallow themselves but the Nationalists would not do it and so the Imperialists said: We will have to do a little swallowing ourselves; we will swallow the navy, the Nationalists will swallow a little, we will compromise on the question of contribution and then we will all be even because we have all swallowed something. This policy is one of pure political expediency and it was only adopted to save the face of the Government. It has thrown one prominent Cabinet minister overboard and I am sorry he has not been in the House to explain the whole situation. I have no doubt that he could have given us a very excellent address and some very interesting details in regard to this question. There is only one man in that wing of the Conservative party in the province of Quebec who has stood true to his convictions. He resigned his position rather than support this policy of a contribution. He opposed this policy and he wrote a letter to the Prime Minister in which he assures us that the whole thing was unconstitutional and stated that he stood by his principles as enunciated in 1909, 1910 and 1911. It was a political slap in the face to every other Nationalist member who occupies a seat in this House.

In looking over a speech made by the right hon. Prime Minister advocating this policy of contribution, I found that the right hon. gentleman was sensible enough not to say very much about secret information. He did not place very much reliance upon secret information; he left that to the hon. Minister of Trade and Commerce (Mr. Foster). It is but fair to assume that a private member of this House, in justice to himself and his constituents, must be guided in his opinion on this subject by the information which has been placed before the House. And so, as a private member, I have to be guided by the memorandum of the Admiralty which I say discloses no need, no crisis, no emergency. The Prime Minister, when he addressed the House, did not put much stress on whatever confidential information he may have been supplied with, but two weeks later, when the Minister of Trade and Commerce spoke, just the day before the adjournment for the Christmas holidays, he made a sort of war-scare speech, and he evidently wanted the people of the country during the recess to be under the impression that there was a tremendous emergency in the history of the naval supremacy of the British Empire. When the Prime Minister submitted his proposal to the House, referring to the information he had to present, he said ('Hansard,' page 700):

A portion of this necessarily is of a very confidential character, which cannot be made public; but an important part will be communicated to the House in a document which I shall lay on the table this afternoon.

Here we are told by the Prime Minister that the important part of his information is contained in the Admiralty memorandum, and in that memorandum there is not mentioned any need whatever for a money contribution. The Admiralty did not say they needed ships or money; they simply set forth the situation which exists, pointing out that Great Britain had withdrawn her ships from the outlying dominions, leaving them unguarded. But, when it came to the turn of the Minister of Trade and Commerce, he said ('Hansard,' page 1416):

He (the Prime Minister) could not lay more before you because it is not permitted; but let no man run away with the idea that the statements contained in the memorandum of the Lords of the Admiralty, which has been prepared for publication, was all or even the more important part, of the information obtained.

Here we have the Minister of Trade and Commerce in direct contradiction to the Prime Minister. The Prime Minister tells us that the important part of the information he has is contained in the Admiralty memorandum and the Minister of Trade

and Commerce says that the memorandum does not contain the most important part of the information imparted to the Prime Minister in consultation with the British ministers. There is no question at all but that in the consultations between the Canadian ministers and the British ministers, information might be imparted which would not be given out for publication, but we have the word of the Prime Minister himself that the important part of the information has been communicated to the House. We have a number of Privy Councillors in this country, and we have not heard a solitary statement from any one of them to justify us in coming to the conclusion that there was any confidential information imparted other than that which has been presented to us. Then, when we take the statements made by Winston Churchill, Mr. Asquith, and the other British statesmen in the Imperial Parliament, no sensible man can come to any other conclusion from these statements than that there is no emergency.

A fair reading of the Admirality document must lead to the conclusion that the idea of the British Ministry is that Canada and the outlying dominions should build up small navies of their own to protect their own trade and their own seacoasts, and that should Great Britain need our assistance in the time of war, we will be there to help. The Prime Minister and some of his colleagues went to England last year to get a naval policy, or rather to obtain an announcement from the British Admirality as to what we should do in Canada towards a naval service. It is a mistake, however, to say that they went to England to get a naval policy, because they had their naval policy cut and dried before they left Canada, and that policy was to offer a contribution. What they went to England really for was to induce the British Admirality to give them some sort of a statement that would help them over their political exigency in this country. The Prime Minister gave public utterance in England to the statement that Canada would never construct a navy of her own or enter upon a permanent naval policy of her own until Canada were given a voice in Imperial affairs. There are doubtless a great many people in Canada who want a voice in Imperial affairs; but, speaking for myself, I am opposed to that idea. I believe it would be a mistake on the part of the Dominion to get mixed up in the foreign policy of Great Britain. Great Britain has proven herself in times past amply able to look after her own foreign policy and why should we mix up in her foreign affairs now? Be that as it may, when the Prime Minister of Canada got to London, he asked the Admiralty, in effect: What can we do for you in the present condition? We will not embark on any permanent naval policy in Canada until we are given a vote in Imperial affairs; what can we do for you immediately under these conditions? And it was impossible, of course, for the Admiralty to say anything else than: Under these conditions you can give us ships or money. There is no doubt whatever in my mind that had the British ministers been in a position to give independent advice to the Canadian ministers and were they left unfettered by any conditions such as had been imposed on them, they would have pronounced exactly the same opinion they pronounced in 1907 and 1911, at the Imperial conferences, when they said: Construct your own navies in the overseas dominions, protect your own sea-coasts, protect your own trade, and if Britain is ever in danger, you will be ready to assist us. In support of my contention let me quote the words of the memorandum:

> The Prime Minister of the Dominion of Canada has invited His Majesty's Government, through the Board of Admiralty, to prepare a statement of the present and immediately prospective requirements of the naval defence of the Empire for presentation to the Canadian Parliament, if the Dominion Cabinet deem it necessary.

Then paragraph 10 of the memorandum says:

> The Prime Minister of the Dominion, having inquired in what form any immediate aid that Canada might give would be most effective, we have no hesitation in answering, after a prolonged consideration of all the circumstances, that it is desirable that such aid should include the provision of a certain number of the largest and strongest ships of war which science can build or money supply.

Of course, under the conditions presented to them, the only answer the British Admiralty could give was to ask Canada for ships or money. In any event, the memorandum conclusively shows that up to the year 1920, in view of the provision made by the British Parliament for the construction of ships, and the maintenance of the British navy, there is no need for alarm. We have this paragraph in the memorandum which shows that the margin of security in the year 1915 will certainly be very ample:

> It is now necessary to look forward to the situation in 1915.
>
> In Home waters.
>
> In the spring of the year 1915—
>
> Great Britain will have twenty-five dreadnought battleships and two 'Lord Nelsons.'
>
> Germany will have seventeen dreadnought battleships.
>
> Great Britain will have six battle cruisers.
>
> Germany will have six battle cruisers.

The memorandum goes on to say:

> These margins in new ships are sober and moderate. They do not err on the side of excess. The reason they suffice for the present is that Great Britain possesses a good

superiority in battleships, and especially armoured cruisers, of the pre-dreadnought era.

The reserve of strength will steadily diminish every year, actually, because the ships of which it is composed grow old, and relatively, because the new ships are more powerful. It will diminish more rapidly if new construction in Germany is increased or accelerated. As this process continues, greater exertions will be required by the British Empire.

There is no evidence of any emergency in connection with that statement. Another paragraph in this memorandum says:

The Admiralty are assured that His Majesty's Government will not hesitate to ask the House of Commons for whatever provision the circumstances of each year may require. But the aid which Canada could give at the present time is not to be measured only in ships or money. Any action on the part of Canada to increase the power and mobility of the Imperial navy, and thus widen the margin of our common safety, would be recognized everywhere as a most significant witness to the united strength of the Empire, and to the renewed resolve of the overseas dominions to take their part in maintaining its integrity.

I think that paragraph is the crucial part of the memorandum. It speaks about the margin of our common safety. Everyone is aware that during the past few years, in order to increase the margin of common safety in the North sea, ships have been withdrawn from other parts of the British dominions. In view of such a situation and in view of the statement made by Winston Churchill, First Lord of the Admiralty, that the development of the British navy during the next ten years would be the building up of navies in the various portions of the British Empire, I think the proper course for Canada to pursue is to start a Canadian navy. Let us protect our own trade, our wheat and other food products going across the seas from Canada to Great Britain. Let us build a fleet unit, if necessary, and put it on the Pacific ocean. I cannot understand how any hon. member from British Columbia, representing the people of that province and endeavouring to do his duty by them, can support a policy of contribution as opposed to a policy of building ships to protect the coasts of Canada against the yellow peril, which we have heard so much about. Only one member from the province of British Columbia has spoken on this question so far. I do not think he dealt with it very fully; but I have no doubt other members from that province will express themselves later on this question. Thirty-five million dollars sent across the waters, is that going to protect the coast of the province of British Columbia? Is it not foolish for the Canadian people to send thirty-five million dollars over to Great Britain to build three empty ships, with no men in them, and leave both the Pacific and the Atlantic coasts unprotected in any way, when some fast cruisers from another nation might attack them at some time or other? Almost every prominent man in the Parliament of Great Britain says that there is no emergency at the present time. Three or four pamphlets have been sent to members of this House from across the water in connection with this. Every one of these statements justified us in coming to the conclusion that so far as Great Britain is concerned, there is no need for alarm; the British Government has made ample provision for protection for the next few years. I intend to put a few of these statements on 'Hansard.' In the House of Commons on July 10, 1912, Sir Edward Grey, Foreign Secretary, in discussing the foreign relations of the British Empire, and particularly the relations with Germany, made this statement:

Our relations with the German Government at the present moment are excellent. We are perfectly frank with each other about all questions of mutual interest, and I believe that when questions come up, whether they be, for instance, in connection with our representative interests in South Africa, or whether they be in connection eventually with the Baghdad railway, both Governments are convinced that their mutual interests can be perfectly reconciled.

On July 25, Mr. Asquith, speaking in the British House of Commons on the question of Imperial defence, made this statement:

Our relations with the great German Empire are, I am glad to say, at this moment—and I feel sure are likely to remain—relations of amity and good-will. My noble friend, Lord Haldane, the present Lord Chancellor, paid a visit to Berlin early in the year. He entered upon conversations and an interchange of views there which have been continued since in a spirit of perfect frankness and friendship, both on one side or the other, and in which I am glad to say we now have the advantage of participation of a very distinguished diplomatist in the person of the German ambassador.

Mr. Bonar Law, leader of the Opposition, on the same day in the British House of Commons said:

I am quite sure that if this country really believed that there was danger they would refuse no possible sacrifice which the Government could ask, but in spite of all that has been said, does the country, do the House of Commons, do any of us really believe that there is danger and vital danger? I confess that I have the greatest difficulty in believing it myself—(ministerial cheers)—I confess it.

So far as the question of relationship with Germany is concerned, in view of statements of that kind from the leaders on both sides of the British House of Commons, it seems to me that we are on good terms with Germany. On July 2, Lord Crewe stated:

So far as our existing position in any part of the world is concerned we are not afraid

to declare that we consider the security of the country is achieved.

Again he stated:

Taking March 31 of this year, we find that we have sixteen battleships and battle cruisers of the dreadnought type, as against fifteen possessed by all the other powers in European waters. Next year we shall have twenty-four ships of this type as against twenty-one possessed by all the other naval powers of Europe. These battleships represent a distinct margin over the two power standard.

Earl Brassey, who is recognized in Great Britain as an authority on naval matters, said:

The cruisers should not be omitted. In all types, and especially in the most powerful types, we had an overwhelming preponderance . . . The German north fleet had no ships to set against our armoured cruisers. . . . If we steadily built the ships we required, alarmists would be silenced and international relations improved.

On July 23, 1912, Mr. Asquith made the following statement:

I deprecate anything in the nature of panic or scares. I do not think there is the least occasion for it, but it is of the utmost importance that we should see clearly what is likely to happen, and that we should provide in time for our own part in the discharge of our own responsibilities. . . . There never has been a moment and there is not now when we have not been overwhelmingly superior in naval force against any contributions which could reasonably be anticipated. But I entirely agree. We must maintain that position and maintain it to the full.

About the same time, in the British House of Commons, Hon. Winston Churchill, First Lord of the Admiralty, said:

Perhaps I may tell the committee what our forecast is in regard to dreadnought construction. We expect in the fourth quarter of 1913 to have eighteen dreadnought battleships, by the time that Germany has thirteen. In the fourth quarter of 1914 we shall have twenty-four and Germany will have sixteen, according to our calculations.

In the fourth quarter of 1915 we shall have twenty-seven and Germany seventeen. I am leaving the cruisers out. I am not counting the two Lord Nelsons, although those vessels are counted as dreadnoughts by the French, and certainly are vessels of very great merit and power. The House will see, looking at these figures, which omit cruisers, and just give battleships, that the statement that we have only a margin of four ships in the North sea does require to be qualified by a good many other observations.

A little later on he says:

We shall have eight battle cruisers when Germany has four in the fourth quarter of 1913. In the fourth quarter of 1914 we shall have nine when Germany has five, and in the fourth quarter of 1915 we shall have ten when Germany has six, and those are the total figures.

Then, in regard to expenditure, he said the Government had the question of expenditure well in hand and they were asking for all the money required to maintain the supremacy of the British fleet. On this point he said:

We are spending forty-five millions sterling this year. Is that nothing? We are going to spend more next year. Is that nothing? We are raising the personnel of the navy from 133,850—that is what it stood at on March 31, 1912—to 141,150—that is what we hope it will reach on March 31, 1913. Then we propose to raise the number to 146,000 at the end of 1914—another rise of 5,000 men—and there will be further increases in the future. We are creating an immediate reserve, which has already reached 2,000 and which we hope next year will reach 5,000, in order to be able to man this extra squadron.

I will not detain the House with more statements of that kind. But I think that, in view of what has been said by the statesmen of Great Britain, men who know the situation there well, it is useless for any person to rise in this House or to come before the people of this country and try to stampede the people by telling us that there is an emergency, a crisis, in the naval supremacy of the British Empire. I find every reason for coming to the conclusion that the memorandum does not say that there is an emergency.

On March 18, 1912, Mr. Winston Churchill, speaking in the House of Commons, said it was the policy of the Goverment to maintain the sixty per cent standard over every other power. Up to a couple of years ago, it was the policy of the British Empire to maintain what they called the two-power standard—that is, to build ships at such a rate that they would have more ships, more power, than any possible combination of two nations against them. This has been dropped, I believe, and the policy now is to maintain a sixty per cent margin over their chief competitor, which may be, possibly, the Empire of Germany. In making that statement, Mr. Churchill said: 'To-day Great Britain has twenty-two dreadnoughts against Germany's thirteen, a superiority of 69·2 per cent. I find that men who are well versed in naval affairs sometimes compare fleets, not by number of ships, but by total displacement. And, comparing on that basis, I find that the total tonnage of Britain's twenty-two dreadnoughts is 44,695 tons, and the total displacement of Germany's thirteen dreadnoughts is 276,760 tons, a superiority on the part of Great Britain of 61·5 per cent. This is a rather smaller superiority than is shown when we judge by the number of vessels. But, while the British navy has the smaller ships, apparently, it has better guns. Germany possesses in the Kaiser and Friederich der Grosse, two battleships larger in displacement than

anything yet completed for the British navy, for, while their displacement is 24,110 tons, the displacement of the King George V is only 23,600 tons. On the other hand the broadside fire of the Kaiser and her sister ship amounts to only 9,310 pounds, while that of the King George V is no less than 14,000 pounds. So, though Germany has some ships that are larger in total displacement than ours, our broadside fire is far above that of the German dreadnoughts. Apparently, Great Britain has been able to put more fighting power into the ships than Germany has been able to do. And apparently Great Britain has always been able to do this, as the following table shows:

	Broadside fire. Great Britain.	Germany.
1906-7	6,800 lbs.	6,080 lbs.
1907-8	6,800 "	6,080 "
1908-9	8,500 "	7,848 "
1909-10	12,500 "	9,810 "
1910-11	14,000 "	9,810 "

The twenty-two completed British dreadnoughts have a total broadside fire of 191,100 pounds as against 96,612 for the thirteen German dreadnoughts, a superiority on the part of Great Britain of no less than 97.7 per cent—almost double. The average broadside fire of Germany's completed dreadnoughts is 7,432 pounds, while the average of Great Britain's dreadnoughts is 8,686 pounds, a superiority of 16.3 per cent per ship. Let us sum up these comparisons in the following table:

British and German Dreadnought Strength at the beginning of 1913.

	Britain.	Germany.	British Superiority. Per cent.
Completed ships	22	13	69·2
Tonnage	446,950	276,760	61·5
Broadside fire—			
No. of guns	192	112	71·4
	Lbs.	Lbs.	
Weight of fire	191,100	96,612	97·7
Average broadside per ship	8,696	7,432	16·3
Average broadside per 1,000 tons	427·5	348·8	22·6

We find that if Great Britain has 160 dreadnoughts to Germany's 100, which is a sixty per cent superiority, the British ships would have a total broadside of 1,391,360 pounds and the German ships would have a total broadside of 743,200, or a British superiority of 87.2 per cent in actual fighting power. From these figures naval experts conclude that the British fighting power of the British navy is much greater than that of the German navy.

I do not wish to take up much time in referring to speeches made by hon. members on the other side of the House. I wish however, for the purpose of arriving at conclusions of my own, to refer again to the speeches made by the Prime Minister in introducing the resolution and by the Postmaster General and by the Minister of Trade and Commerce. I found, on reading carefully the speech of the Prime Minister, that there is nothing in it that would justify the ordinary reader in coming to the conclusion that there is going to be a permanent naval policy, that is, so far as the construction of a Canadian navy is concerned. If it justifies any conclusion on the subject, it justifies the conclusion that the permanent policy of hon. gentlemen opposite is to be a policy of contribution. And, in justice to the people of Canada and to the members of this House, I think we are entitled to know what their permanent policy is before we pass this contribution. As the hon. member for Pictou (Mr. Macdonald) said, there are only two ways open to any government in connection with the naval policy. The first is the construction of a Canadian navy, as unanimously agreed to in this House on two or three occasions before the introducing of this resolution; and there is the policy of contribution. I do not care how long the Prime Minister meditates on the subject. Hon. members opposite say: We are going to think over this matter. The hon. member for Brantford, however, whom I do not see in his place, and he is recognized as being a man very close to this Government and consulted by them on important matters of policy, had something to say on this subject. His whole speech justifies my coming to the conclusion that his policy is one of contribution. I do not believe the hon. member for Brantford is so irresponsible that he would, without consulting his leader, make that statement on the floor of this House. If I understand aright the remarks of the hon. member for North Perth, they were to this effect: What is the use of a Canadian navy when Britain is supreme on the sea? and the hon. member for North Grey (Mr. Middlebro) arrived, I have no doubt, at the same conclusion. From the information I have been able to gather from speeches made by hon. members from the province of Ontario, I can come to no other conclusion than that the permanent policy of the Government is to be a policy of contribution, and that this first vote of $35,000,000 is the initial dose for the people of this country, to see how they like the taste of it, and later on they will get another dose. From no remark made in the speech of the Prime Minister—except, perhaps, his quotation from his remarks in 1909 or 1910—can it be assumed that he is in favour of a permanent Canadian naval policy; but his whole speech rather justifies the conclusion that his is a policy of permanent contribution. On page 710 of 'Hansard,' I find the following statement as made by the Prime Minister:

There have been proposals, to which I shall no more than allude, that we should build up a great naval organization in Canada. In my humble opinion, nothing of an efficient character could be built up in this country within a quarter or perhaps half a century.

Does that not justify the conclusion that if the Government has any permanent policy at all, it is one of contribution? If, as the Prime Minister has said, nothing of an efficient character can be built up in this country within perhaps a quarter or half a century, that presents an additional reason why we should begin to-day to do something for the protection of our own coasts, and commence the construction of an efficient naval force for the Dominion of Canada. (Reading):

Even then, it would be but a poor and weak substitute for that splendid organization which the Empire already possesses——

Will any hon. gentleman suggest for one moment that, if a Canadian fleet were built, it would be a substitute for the great naval organization of the British Empire?

—which has been evolved and built up through centuries of the most searching experience and of the highest endeavour. Is there really any need that we should undertake the hazardous and costly experiment of building up a naval organization especially restricted to this Dominion, when upon just and self-respecting terms we can take such part as we desire in naval defence through the existing naval organization of the Empire, and in that way fully and effectively avail oursleves of the men and the resources at the command of Canada?

I ask you, in the name of common sense, how we avail ourselves of the men and resources at the command of Canada by sending $35,000,000 over to Great Britain? As I have said, the entire speech of the Prime Minister justifies the average reader in coming to the conclusion that the Government's permanent policy—if they have one—is a policy of contribution, and I think the Government should not cogitate or meditate or ponder on this question any longer, but should take the people of the country into their confidence and let them know what is their permanent policy.

Coming now to the speech of the hon. Postmaster General (Mr. Pelletier), there are two features of his remarks which stand out in prominence; one the bogey of conscription held out to the people of the province of Quebec, and the other the statement that the sending of $35,000,000 to Great Britain would be a cheaper policy for the people of Canada. Does that look like a permanent naval policy for Canada, or the establishment of a Canadian naval force? At page 1123 of 'Hansard,' I find that the Postmaster General stated:

I have no doubt that statements of hon. gentlemen opposite that they do not want any money to be voted, but that they want blood shed, and more money voted for the manning of the ships, is the continuation of the policy adopted by them for years.

And, at page 1133:

Is the right hon. leader of the Opposition in favour of increasing pay, or is he in favour of conscription? Let him come out from behind Torres Vedras, for once, and tell us all. Is the hon. member for Roville (Mr. Lemieux)—well, he is not here. The hon. member for Beauce (Mr. Béland)—would he vote in favour of conscription?

Then the hon. Postmaster General produced a little Bill, very much worn, which had apparently been carried in his pocket for a number of years, and, no doubt, had seen service in many election campaigns in the province of Quebec. He produced this Bill, so dear to his heart, stating that he had found it among the papers in one of the departments, and that on the face of the Bill was the name of Mr. Prefontaine, who is now deceased. The Bill was never introduced into this House, but the Postmaster General explained that it provided for conscription and was intended to be introduced, but for some reason was smothered. Let me read what the Postmaster General states, page 1133 of 'Hansard':

Now, our hon. friends have told us they are not in favour of conscription. But their theory does not hold together, their policy does not stand on its own feet. I have here something that may help them. I have been handed a little Bill, which never saw the light of day very much but on which I find the following words:

Fourth Session, Ninth Parliament, Edward VII., 1904.

An Act constituting the Naval Militia.

It has the name on it of Mr. Préfontaine, who at that time was Minister of Marine and Fisheries in the Government of my right hon. friend (Sir Wilfrid Laurier). I find embodied in this Bill conscription, enrollment—and six months in jail for every man who will not be enrolled or go under conscription.

This great speech made by the Postmaster General sets forth as I have said two principles; first, he threatens the people of the province of Quebec with the conscription bogey, and, second, he says we cannot get men for a navy in Canada unless we pay far more than is paid in Great Britain, and that it is cheaper to send $35,000,000 to Great Britain than to establish even a small navy in Canada.

The speech of the hon. Minister of Trade and Commerce (Mr. Foster) bears this interpretation: this is only the beginning; we are to have a permanent naval policy. He reiterates that sentiment over and over again, the entire speech was made in order to convey to the people of the city of Toronto—where they think they have a monopoly of all the loyalty that exists in the Dominion, though I am afraid they are sadly mistaken—and to the people of the province of Ontario the idea that this Government intends to bring down a per-

manent naval policy, and then submit it to the people. This diversity of opinion in the ranks of the Government is an indication that in the province of Quebec in the next election the Postmaster General will say to the people of that province: There is no conscription connected with this $35,000,000 contribution; we send it over to Great Britain, and that is an end of it. They will pursue exactly the same tactics that they pursued in 1911. In 1911 what did they say in Ontario? They said: Laurier is a separatist—and why? Simply because the Canadian Naval Service Act did not contain a provision which prominent Conservatives in Ontario said they wanted inserted in the Bill, to the effect that every time Great Britain was at war, the Canadian navy should automatically pass under the control of the British navy and become part of it. What did we say in regard to that?—and I stand on exactly the same platform to-day.

Are we to be called separatists in Canada? We a nation within the British Empire, a country that has boasted of autonomy and self-government within the British Empire, because we say we must trust the Canadian Parliament to place our navy at the service of Great Britain should necessity arise? Supposing Great Britain were engaged in a foreign war to-day, do you mean to say there are men in the House of Commons whom the people of Canada would not trust to say if we would send troops or ships to help her? Because that section was not put in the Act in the way prominent Conservatives in Ontario wanted, they said in Ontaria: Laurier is a Separatist; while down in Quebec, for exactly the same naval Bill, they said: Laurier is an Imperialist who wants to send your sons into wars with the Chinese and Japanese, to see them disembowelled on the ships of Great Britain. To-day we have the Postmaster General holding out the fear of conscription to the people of Quebec, and saying: We will not send more than $35,000,000; perhaps we owe something for the protection we have had. so we will send this money, and that is the end. But in Ontario they tell the people of Toronto that that is only the beginning of our naval policy, that they will cogitate and ponder and mediate for three years more, and then bring down a naval policy that every Tory in Toronto will be proud of.

At page 706 of 'Hansard' the Prime Minister uses these words:

> There is, therefore, grave cause for concern.

That is from the information in the memorandum placed before this Parliament. At page 707, he says:

> The real test of our action is the existence or non-existence of absolute security.

At page 709 he says:

> Upon the information which I have disclosed to the House the situation is, in my opinion, sufficiently grave to demand immediate action.

How do statements of this kind from the Prime Minister of Canada after a few weeks' sojourn in Great Britain compare with the statements of Mr. Asquith, Prime Minister of Great Britain? Mr. Asquith says:

> There never has been a moment, and there is not now, when we have not been overwhelmingly superior in naval force against any combination which could reasonably be anticipated.

Who is right? The Prime Minister who sojourned in England for a few weeks for the purpose of preparing this naval policy, or Mr. Asquith, the Premier of Great Britain? I think the majority of people will be inclined to take the view that it is Mr. Asquith who must be familiar with the situation. On July 22, 1912, Mr. Winston Churchill stated in the House of Commons:

> Mr. Borden and his colleagues are now in possession of all the facts, and we have discussed with the utmost freedom and confidence the action which should be taken and the way of surmounting the difficulties which obstruct such action.

The statement of the Prime Minister of Canada is at variance with the statements of the Prime Minister of England and the First Lord of the Admiralty. I think we may assume that Mr. Borden received the same information that was given by Mr. Asquith in Parliament, and that the memorandum placed before the Canadian Parliament contains the same information and shows no justification for a large emergency contribution.

I mentioned what had been the policy according to the statement of Mr. Winston Churchill, First Lord of the Admiralty in Great Britain, for the last few years. I find the same statement made by the Prime Minister in introducing this resolution, indicating that the British naval policy during the past two or three years has been one of concentration of ships in home waters; and the Prime Minister gave out some figures to which I wish to refer. In 1902 there were fifty-five British ships in the Mediterranean; to-day there are nineteen. In 1902 there were fourteen ships stationed around North American and West Indian stations; to-day there are three. In 1902 there were three on the southeast coast of Africa, to-day there is one. In 1902 there were sixteen at the Cape of Good Hope, to-day there are three. In 1902 there were eight on the Pacific stations, to-day there are two. In 1902 there were forty-two on the China station, to-day there are thirty-one. In 1902 there were twelve on the Austrian stations, to-day there are eight. In 1902 there were ten on the East India sta-

tions, to-day there are nine. To sum up, in 1902 there were one hundred and sixty-six at foreign and colonial stations, to-day there are only seventy-six. I submit that the conclusion drawn by the Prime Minister from these figures is not the correct conclusion to come to. If England has found it necessary to withdraw these ships that were formerly stationed at the various colonial stations and station them in the North sea and the home waters to render the margin of her security at that point ample, the proper conclusion for us is that we in the outlying dominions of the Empire should begin the construction of small navies of our own and be prepared to protect our coast and trade, and co-operate with Great Britain in the time of peril. I am justified in this conclusion, because of what the Right Hon. Winston Churchill said in addressing a gathering of the Shipwrights' Company in Great Britain in May, 1912, a few weeks before the Prime Minister of Canada and his colleagues were to interview the Admiralty and Government of Great Britain in regard to the Canadian naval policy. Here is what Mr. Churchill said to these men, who know more about ship-building than any other organization of people in the world:

The British fleets are now practically concentrated. The recent great review before the King is only one proof of the quality of concentration which the Admiralty has lately brought to its final act, a policy of naval concentration which has given a real measure of security to the center and heart of the British Empire. But there is one aspect of naval concentration which requires the attention of thinking men here and elsewhere throughout the British Empire. The fact that our fleet is not only concentrated in the decisive theatre of European war, but must be kept concentrated, and in a certain sense, tied to that theatre, has been for some years creating a new want, a new need, a new opportunity for the great self-governing dominions of the Crown.

Later he proceeds:

At present, of course, and for some years to come, we are not only able to maintain a sufficient margin in home waters at the decisive points, but we could—by making special arrangements, by effecting partial mobilization we could if need arose—fit out and despatch strong squadrons to the aid of any of our colonies or dominions across the sea, whose vital interests were menaced or attacked.

And here is a great opportunity—the great chance of the self-governing dominions—these strong young nations which have grown up all over the world under the shelter of the British flag and by the stimulus and protection of British institutions, and they have already begun to seize it; already we have seen the development in Australia of a strong modern fleet unit. New Zealand has contributed a noble ship to the general service of the British navy. And in Canada men of all parties and of both races are deeply stirred upon the problem and of the share which the great dominions should take in the means by which it and all other parts of the British Empire are kept from harm. And we are soon to receive, I understand, representatives of the new Canadian Administration, who will come here to consult with the Government and the Admiralty upon the course of policy which should be adopted in the future.

Then he proceeds:

If the main development of the past ten years has been the concentration of the British fleet in decisive theatres it seems to me—and I dare say to you—not unlikely that the main naval development of the next ten years will be the growth of the effective naval forces in the great dominions overseas. Then we shall be able to make what I think will be found to be the true division of labour between the Mother Country and her daughter states—that we should maintain the sea supremacy against all comers at the decisive point, and that they should guard and patrol all the rest of the British Empire.

In face of a statement of that kind, made by the First Lord of the Admiralty in Great Britain, no doubt voicing what was at that time the policy of the Admiralty, and made at a time when the First Minister of this country and his colleagues were expected to confer with the Admiralty and the British Government as to what part Canada ought to take in the naval affairs of the Empire and of the overseas dominions, would any person believe that Mr. Churchill, within a period of seven or eight weeks, had changed his mind with regard to what was the proper policy for the outlying dominions to pursue? If the Prime Minister and his colleagues had gone to Great Britain and asked the British Admiralty what was the best course for Canada to pursue in connection with the maintenance of the naval supremacy of the British Empire, what answer do you suppose they would have got? They would have got exactly the same answer as that contained in the paragraph that I have read from the address of Mr. Churchill delivered before the Shipwrights Company in May of last year. Our Government would have been told, as they were told before: Build up, in the outlying dominions, your own fleet units, your own small navies, protect your own coasts, guard your own trade, use your own materials and money on the construction of a Canadian navy, and co-operate with the British navy in time of war. The Prime Minister went over to Great Britain with a cut and dried policy for the Canadian people to pursue, and he and his colleagues told the British Admiralty that they would have nothing to do with a permanent naval policy. The only thing for the British Admiralty to do was to tell

them to send over their money, and that is what these hon. gentlemen propose to do.

I have heard a good deal of criticism of the expenditure of the old Government under the Naval Service Act. I find a reference to this matter by the hon. Minister of Trade and Commerce at page 1414 of 'Hansard.' Referring to that expenditure, he said:

> Meanwhile, we have paid one and a third millions of good Canadian dollars as capital expense, and we have paid out seven hundred and eighty-eight thousands for upkeep. You have the money paid; you have the result; and you have the right to ask yourselves, how long would it be under such auspices and circumstances, before two units could be manned by properly qualified seamen?

I submit that that is not fair criticism. What was the position when this Government came into power? The late Government had bought two vessels. Hon. gentlemen opposite said these vessels were no good. They talked in the province of Ontario about a tin-pot navy and they said that if they were put into power they would build a navy that would be of some use to the country. If these vessels were no good, why did they not get better vessels? The position to-day is that between $2,000,000 and $3,000,000 were spent by the late Government for the purpose of inaugurating the Canadian naval service, and this present Government have absolutely allowed the money to go to waste. The Government did everything after they came into power, to lead the people to believe that this naval service was no good.

It has been said, and has not been denied, that there was a written pledge given to the Nationalists to repeal the naval law. It has been said, without contradiction, that certain gentlemen who sit on your right, Mr. Speaker, were pledged in writing to Mr. Bourassa to repeal the Canadian Naval Service Act when this Government came into power. But, I have this to say, apart from all these contentious questions altogether, that the Government, after coming into power did absolutely everything in their power to discourage the young men of this country from enlisting in the navy. Tenders were called by the former Government for eleven warships for the purpose of carrying out the resolution of Parliament of 1909 and the Canadian Naval Service Act of 1910. One of the first things this Government did shortly after coming into power was to refuse to have anything to do with these tenders. A leading member of the Opposition, and a prominent member of the late Government, stated that after the late Government were defeated they did not like to take the responsibility, this being a contentious question, of dealing with the tenders which had been submitted, and they therefore determined to leave them to the incoming Government. This Government, however, have done everything they could to discredit the idea of a Canadian navy in this country. They have allowed $2,000,000 or $3,000,000 of the money of the people of Canada to go absolutely to waste and they have discouraged young men from enlisting in the navy. How could you expect young Canadians looking perhaps for a life in the navy—as a matter of fact a number of them are joining the United States navy—to join a navy that they did not know was going to exist for more than a year or two? If this money has been wasted the responsibility for the waste rests upon the Government. The responsibility for the many desertions from the service that have taken place must rest upon hon. gentlemen opposite because they have given no encouragement to Canadians to enlist in the Canadian navy.

There is no indication that there has been any want of ships in the British navy. On the contrary, the evidence we have before us would lead us to the conclusion that Great Britain cannot man the ships that she is building at the present time. I find that, in the English House of Commons last year, Mr. Winston Churchill made the statement that 'this year we are laying down more ships,' and that the next day, in the House of Lords, the Earl of Selborne declared that they should lay down eight ships. The day following that, July 25, in the House of Commons, the First Lord of the Admiralty replied as follows:

> We cannot lay down the additional ships asked for by Lord Selborne because if we do we cannot man or officer them unless we relegate to the scrap heap ships that are now good enough for the purposes for which they are used, take the crews and officers from these ships and put them on the additional dreadnoughts.

That is the position that Great Britain was in according to a statement made by Mr. Churchill on July 25, of this year. I ask you, if the statement of Mr. Churchill to the effect that they cannot man this year more than four ships is correct, how are they going to man the three additional dreadnoughts that we are sending there empty, either this year or next? I do not believe that the Admiralty were given a free hand.

Statements have been made in the country which would lead us to believe that Great Britain needs money. I do not know whether anybody has made that statement in this House but such statements have ben made by prominent Conservative politicians outside of the House. Last fall I saw the statement attributed to Sir Rodmond Roblin that Britain was on her

knees begging Canada to come to her assistance with money. There has been no evidence of that fact presented to this House. On the contrary, when you look at the financial position of Great Britain, you find that Great Britain is in a very favourable position as far as her finances are concerned. The following is a statement of the financial position of Great Britain for the year 1911-12:

Revenue..	£185,000,000	
Expenditure	178,545,000	
Surplus..	£ 6,540,000	or $32,725,000
National debt—		
1911..	£733,072,609	
1912..	718,406,428	
Reduction..	£ 14,666,181	or $73,330,905

I think that the finances of Great Britain are in a very satisfactory condition indeed. As a matter of fact, the statements of Mr. Churchill, Mr. Asquith, and others on the floor of the British House of Commons, would lead us to believe that they have all the money they want to meet the needs of the British navy for many years to come. Lloyd George, speaking in the English House of Commons last year said:

> We have in this last five or six years wiped out more debt than any administration that ever existed in this country.

In face of such a declaration from the Chancellor of the Exchequer, it is all nonsense for gentlemen opposite to be going up and down the country stating that Britain is on her knees asking for assistance.

In this day and generation it is a matter of self-respect for the Canadian people to build up in Canada a small navy, to make ourselves strong, to develop our natural resources, to develop our transportation system, to protect ourselves on both coasts, and to be ready as we always have been in the past, to come to the assistance of Great Britain when the hour of need arrives.

As to the bearing which a decision on this question may have on the people of western Canada, I have a few facts to submit to the House. According to the census taken in 1911, the four western provinces are entitled to fifty-six or fifty-seven members in the House of Commons, and at present they have only thirty-five. I represent in this Parliament a constituency which had a population of 70,000 at the last census, and which now, possibly, considering the growth of Regina, has a population of 80,000; the hon. member for Red Deer represents a constituency which had a population of 61,000 at the last census; the hon. member for Moosejaw represents a constituency which had a population of 87,000 at the last census; the hon. member for Assiniboia represents a constituency which had 42,000 people at the last census; the hon. member for Edmonton represents a constituency which had 57,000 population at the last census.

Mr. SPEAKER: Will the hon. member state what bearing this has on the question before the House?

Mr. MARTIN : I intend to take the position that this measure should not be allowed to go through until Western Canada has proper representation in this House of Commons. If that has not a connection with this resolution, I do not know what has. This proposition is a departure from our constitutional practice, and, although I represent in this House to-day sufficient people to make three or four ordinary constituencies in Ontario, the people I represent have only one voice on this measure. This proposal is a departure from constitutional practice, as I have said; it has never been discussed before the people, and we should have a general redistribution law before it is allowed to go into effect. I will not express my own opinion as to whether this contribution is or is not constitutional; but I will read what the British North America Act says, and then hon. members can take what meaning they like out of it. Section 91 of the British North America Act states the different powers that may be exercised by the Parliament of Canada: amongst others, militia, military and naval service, and defence. I do not think anybody in this House will argue that that refers to the defence of Great Britain; it must refer to the defence of Canada. However, on the question of the constitutionality or unconstitutionality of this proposal, I shall submit the opinion of a man high in the councils of the Conservative party, no less a personage than the Minister of Justice (Mr. Doherty). Debating this question on the Naval Service Bill, he said:

> What I desire to point out is, that under our constitution there is no obligation on the part of Canada, legally or constitutionally, to contribute to the naval forces of the Empire, and that condition will continue to exist so long as the United Kingdom alone has exclusive control of the foreign affairs of the Empire.

That is the opinion of the Minister of Justice, the highest authority in this country on such a question. I have another very high authority, the late Minister of Public Works (Mr. Monk), a man recognized as being a great constitutional lawyer, a professor of constitutional law in the University of Laval. When he resigned his portfolio—and, by the way, he was the only one of the Nationalist wing in the Government who was man enough to stand by his convictions—he wrote as follows to the Prime Minister:

> I regret to find I cannot concur in the decision, arrived at by Cabinet yesterday, to

place on behalf of Canada an emergency contribution of $35,000,000 at the disposal of the British Government for naval purposes, with the sanction of Parliament but without giving the Canadian people an opportunity of expressing their approval of this important step before it is taken. Such a concurrence would be at variance with my pledges, and the Act proposed is of sufficient gravity to justify my insistence. It goes beyond the scope of the Constitutional Act of 1867.

I have my own opinions on this question, but I am prepared to subject them to the experienced judgment of such constitutional lawyers as the Minister of Justice and the late Minister of Public Works.

Now, Mr. Speaker, I believe that this measure should not be allowed to go through the House until it is submitted to the people by a referendum or a general election. I care not which. If it is submitted to the people by means of a referendum, then it should be provided that all classes of opinion in the Dominion of Canada should have an opportunity to pronounce upon it; and that can be arrived at by the simple submission of three questions, namely, whether they are in favour of a contribution; whether they are in favour of a Canadian navy; or whether they are in favour of doing nothing at all. If three such questions were submitted, I think you would get a full expression of opinion from the people of the country. I again emphasize my contention that this being a new departure in our constitutional practice, before it is allowed to go through Parliament the people of the country should be consulted with regard to it.

We have been told by hon. gentlemen opposite that the people of Canada are not able to construct a navy. I live on the prairies, and I admit that I do not know much about navies or ships, but I do know that the people of the West, irrespective of political opinion, English, Irish, German, Scotch, whatever their origin, are anxious that Canada should have a naval service of her own. I do not think that any man in this House really believes that the people of Canada cannot construct ships. Of course, I do not think we can build a navy in two or three years; but with the experience of the United States to guide us, we need have no fear. Let us remember that in 1893 the United States had only six ships of war, and that since then the United States has become a great naval power, with some fifty ships, all built in the United States and eight large shipyards, constructed and put in operation all in that short period; with that experience of the United States, we Canadians, who are just as good people as those living in the States, can surely start in a small way to build a navy, and

have a navy which, in years to come, our children and our children's children will be proud of. Twenty years ago in the States there was no navy. Canada is growing rapidly; our revenue during the past three or four years has increased tremendously. This Parliament would be much more justified in constructing a navy than the Parliament of 1910, because our revenues have increased by about $40,000,000, and are increasing by leaps and bounds. We are therefore to-day in a far better position financially to take some steps towards protecting our own sea-coasts. There is more reason for spending money on a navy than for spending it on militia. We are spending some $10,000,000 annually on the militia. What are we doing it for? Only one country in the world can attack us by land, and that is the United States. We have had a hundred years of peace with that country. Does any man in the Dominion of Canada believe that the United States is going to attack us at any time? I do not believe it for one minute. I believe the statesmen of both countries have too much common sense to think of war taking place between the United States and Canada. Two and a half million dollars of that $10,000,000 is spent on the permanent force of Canada. If it is worth while having a militia in Canada, it is worth while having a proper one. The other seven and a half million dollars are spent on gold lace and other attributes of the militia, which fact perhaps some other hon. gentlemen can explain better than I can. We cannot think of any other country that would attack us by land, so that we are maintaining this whole militia force in Canada for the purpose of preventing attack on the part of the United States. The possibility of that I believe is reduced to a minimum.

We have before us to-day in connection with the naval question in Canada two proposals. One is to send three empty dreadnoughts to Great Britain, which she does not require, and which the First Lord of the Admiralty says she cannot man. We ask Great Britain to increase the burden of the English taxpayer in order to do something we ought to do ourselves. Using exactly the argument used by the hon. Minister of Trade and Commerce in the year 1909, I think it is a policy of shifting the responsibility of the Government of this country on to the Government of Great Britain. The Government of this country thinks it is far easier to send money to Great Britain, to get it out of the country, so that Canada will have no further responsibility in the matter.

The other proposition is to build a Canadian navy. It may be necessary to begin in a small way, but it will grow, and in the course of ten, fifteen or twenty years we

shall have reason to be proud of our Canadian navy. We must make a beginning some day; why not now? The hon. the Prime Minister says it will take from a quarter of a century to half a century to construct a Canadian navy. That is a reason why I think we should begin at once. We have a duty to perform; we must protect our fisheries, our coasts and our wheat. How does the Government policy do this? The hon. member for Brantford (Mr. Cockshutt) the other night, speaking in favour of a contribution and of the building of the British navy, said: Don't you believe in protecting your own wheat? I certainly believe in protecting our own wheat; but we will never do it on our own coasts unless we have some vessels at Halifax and in that vicinity with which to protect our wheat.

It is argued that sending money to Britain will have a greater moral effect on the nations of the world. I do not believe that. I believe that if it is announced to the world that Canada is equipping and maintaining a navy to protect her own coasts and trade, and to cooperate with the British navy, the effect will be greater. In a few years, how many nations will remember this contribution of $35,000,000? If, however, we have a dozen warships built in this country in the course of four or five years, we shall have something that we can be proud of in the eyes of the world.

There are two classes of Imperialists in this country. One class consists largely of the men who sit in rich men's clubs in the city of Toronto and build empires. The men who are building the British Empire to-day are not the men who talk imperialism in the Tory clubs in the city of Toronto; but they are the brain and the brawn of this country, the farmers, the labouring classes and the artisans. These Imperialists in the city of Toronto—I do not know whether we have any of them in the House or not of that particular type—say: We want a policy of centralization in the Empire. They are the very same men who like mergers and centralization in all kinds of business. Therefore, considering that a policy of centralization is a good one in connection with business, they consider that it would also be a good policy in connection with the building up of the British navy. It is the old Tory doctrine of centralization. I do not believe that that policy of centralization would work well for the British Empire. If we were mixed up, to use a common expression, in the foreign affairs of Great Britain, it would work up a certain amount of ill-feeling between the colonies and Great Britain, and eventually would threaten the disruption of the whole Empire. What better condition of affairs can we have in the British Empire than we have at the present time?

There is another school of imperialsists, to which the great majority of Canadians belong. This school believes that each colony should work out its own destiny within the Empire; that each colony should develop its own resources, equip its own militia and its own navy, and be ready to assist Great Britain in time of need. This seems to me to be a saner form of imperialism and within our reach to-day. There is not a man in the House of Commons who will see an Imperial Parliament in which all the colonies are represented. We have a form of imperialism within our reach which has grown up in this country. The Crown is the cause of it. After all, the Crown is the great bond which binds together the scattered dominions over the whole world. While it is a bond formed largely on sentiment, it has proved itself stronger than armies and navies; it is so strong to-day that should Great Britain request, we would rush to her assistance with all our moral and natural resources.

In addition to Imperial interests, the interests of Canada must also be consulted on a question of this kind, for, after all, the question is what is the best course for Canada to pursue. Her best course is that of looking after Canada first, last, and all the time, and by this course we shall make Canada stronger and more helpful to the Empire.

We have been talking about Canadian nationality and nationhood. Will anybody say that by sending $35,000,000 across the ocean we are strengthening our nationality and nationhood? Let us build up Canada, I say, and make her great in development, great in nationhood; and then, in time of peril in the Empire, we can make ourselves felt.

What can we do in Canada to-day? I say, as I have already said, we can take steps to protect our Pacific coast, and also our Atlantic coast. We are in a position to-day which is not a very proud position for Canada to occcupy. Our coasts are left unguarded; and I believe that every self-respecting Canadian feels that the time has come when the country should afford its own protection on both coasts. By constructing our own navy, we shall develop our own resources. This is the policy that will make Canada stronger and of more assistance to the Empire. It will be a following out of the policy of Canada for Canadians, which hon. gentlemen opposite have so often talked about. That was their great cry in the last election, the general elections of 1911. 'No truck or trade with Yankees.' 'Build up the home market.' What does this policy of sending $35,000,000 to Great Britain do towards building up the home market? We should commence the construction of battleships. It will take two or three years to get the yards ready to construct them in, but when we begin this work of ship-building, we shall give

the greatest impetus to the steel industry that this country has ever known. They would not need to come lobbying around the House of Parliament for a bounty if this were done. The Government should begin at once the construction of a navy; the beginning may be small, but we should begin. We should defend Esquimault and Halifax. We should construct large dry-docks, and Canada should be placed in a position to defend herself against any attack upon her shores. This would be consistent with the proud position of Canada to-day and consistent with our own self-respect.

In conclusion, let me briefly summarize my objections to this resolution:

1. It simply means presenting three empty ships to Great Britain, with no provision for manning and maintenance.

2. It increases the burden of the British tax-payer.

3. It shifts the responsibility for the defence of Canada from Canada, where it belongs, to Great Britain.

4. It reverses the policy of all former Canadian Governments, and is a retrograde step in Canadian progress.

5. It is only an expedient and makes no provision for a permanent naval policy.

6. It will prevent the development of ship-building in Canada and the great impetus to the industries in Canada which ship-building would mean.

7. It makes absolutely no provision for the protection of Canadian coasts and Canadian trade.

8. It is a new departure in the history of Canada and it should be submitted to the people.

Mr. PIUS MICHAUD (Victoria, N.B.): I have no apology to offer for addressing the House at this time. In the Liberal party every man has reasons for what he does, and in order that my reasons may be known I offer a few remarks on this question. We have heard hon. gentlemen on the other side of the House recite poetry; we have heard them recite Scripture; we have heard them tell of their own deeds; we have heard them talk of the change from Nationalist to Imperialist; we have heard them talk of the change of the word 'emergency' into 'need' and from 'need' to 'crisis'; but we have not yet heard any reasonable explanation of 'emergency.' From what I can gather from the silence of the Government just now, their motto is : No speeches, and no navy. Within the last few years Canada has on several occasions sent her representatives to the Mother Country to discuss with the leaders there the best means that this country could take to help herself in the way of defence and also to take part in the defence of the Empire. Up to a couple of years ago, the representatives of this Dominion sent over to the Mother Country were agreed upon a policy for the naval defence of Canada. It was decided by Government of that day that a Canadian navy should be built here in Canada. But it appeared to our friends on the other side that the Canadian navy would not meet the views of the jingoes in London and Toronto; so it was decided to find a scheme whereby the Laurier policy could be abandoned. So, we see the Nationalists of Quebec and the jingoes of Toronto putting their heads together. It was decided that the right hon. Prime Minister of this country, the second lieutenant of Mr. Bourassa in the district of Quebec, the Minister of Justice and the Minister of Marine and Fisheries, should go to London to consult the British Admiralty. We understand that on their arrival in London, they went to the Lords of the Admiralty and knocked at the door. They were invited in, and they said: We have come here to offer you our gratitude and our money; we understand that you are in great need of money and as a young nation we are ready to give it to you. I am not going to quote the words of Mr. Churchill in this House, for they have already been quoted on several occasions. But it is well for us to know the views of these great statesmen, and I will refer at greater length to what they have said later on. After being in interview with the leaders of the British Government, our representatives came back to Canada with the assurance that the greatest fleet in the world was in the greatest danger. Our Canadian members then decided there was an emergency, and, in order to convince the country they asked the British Government for a memorandum from the Secretary of State for the Colonies. This memorandum was forwarded, and every one has seen it and knows its contents. I am not going to read it to the House, nor am I going to cite it at any greater length. But I desire to say that it is very important that we should know what our friends went to England for. We have here in section 1 of the memorandum, an explanation:

> The Prime Minister of the Dominion of Canada has invited His Majesty's Government through the Board of Admiralty to prepare a statement of the present and immediate prospective requirements of the naval defence of the Empire for presentation to the Canadian Parliament if the Dominion Cabinet deem it necessary.

This last line causes me to believe that if the report had not been properly worded to meet the views of our friends the delegates who went to the Mother Country, this memorandum would not have been presented to this House, because it was for 'presentation to the Canadian Parliament if the Dominion Cabinet deem it necessary.' I

wish to refer to section 7 of this memorandum, a portion of which reads as follows:

The rapid expansion of Canadian sea borne trade, and the immense value of Canadian cargoes always afloat in British and Canadian bottoms, here require consideration. On the basis of the figures supplied by the board of trade to the Imperial Conference of 1911, the annual value of the overseas trade of the Dominion of Canada in 1909-10 was not less than £72,000,000, and the tonnage of Canadian vessels was 718,000 tons, and these proportions have already increased and are still increasing.

From this memorandum I am convinced not only that there is no emergency, but that the emergency exists only in the minds of a few members of this House, for political purposes only.

The resolution passed in this House in reference to a Canadian navy was a resolution accepted by the Canadian people through their representatives. The hon. Minister of Trade and Commerce (Mr. Foster) had a Canadian and a British view in that resolution. Since he attained his present office, he has changed his opinion and is now looking at the defence of Canada in the same light as that in which it is viewed by the Unionists in the Mother Country. Does he want us to believe the words he uttered in respect to the Canadian navy in 1909? Let me repeat them:

The first and greatest objection which I have to a fixed money contribution is that it bears the aspect of hiring somebody else to do what we ourselves ought to do.

Then he goes on:

It goes still further than that. Suppose you contribute this year your sum, and next year your equal sum, and thereafter year after year. After ten or twelve or twenty to thirty years you will have paid out an immense amount of money. You will have been protected in the meantime; but in Canada itself there will be no roots struck, there will be no residue left, there will be no preparation of the soil, or beginning of the growth of the produce of defence.

The hon. Minister of Trade and Commerce also said in March, 1909:

That is the idea which is in my mind—that when we make our contribution in the way of a fixed sum, and it goes from us, and we are not responsible for it, we have none of the inspiration arising from the growth and development of a system of future defence in our own country. We are deprived of the larger benefit ourselves, and in the future we do no greater service to the Empire of which we form a part in this matter of defence.

The first Canadian-owned vessel, built and equipped in Britain, and sent out to defend our coast would become the nucleus and the training ground of Canadian stokers, Canadian sailors and Canadian officers, and by and-by perhaps of a Canadian admiral on the Canadian coast. How much time would be taken in completing that circle none of us can say, but if we begin the tracing of it and follow it fairly faithfully, the time must come when we get a complete circle, and have an Imperial adjunct to the British navy for the defence of Canada and the defence of the Empire, in which Canada has some of her body, her bones, her blood and her mental power and national pride.

As a young member of this House, Mr. Speaker, I do not desire to say anything tending to injure the feelings of hon. gentlemen opposite. But will the Canadian people put up with the present attitude of these hon. gentlemen? What a change of mind has been evidenced, in so short a time! The mind of the right hon. Prime Minister was not changed after his arrival in England last summer; he and his colleagues landed in the Old Country with their minds made up that the British Empire was in need of money, and that there was a great emergency. The member for North Toronto had to turn a somersault in order that his speech delivered before the holidays would be different from his utterances in March, 1909. He has had to play a double game on this great question; he nicely fulfilled his part as Mr. Hyde in 1909, and he distinguished himself as Dr. Jekyll on the 18th of December last.

I have been surprised at the attitude of the Government upon this question during the last few days. It would seem that the members on the back benches are not prepared to give us the benefit of their opinions in regard to this matter. After such a failure on the part of the hon. ministers in discussing this contribution; after such a failure on the part of hon. gentlemen of the back benches in connection with such an important question, they have all dropped the discussion, and have refused to give to this House and to the Canadian people their convictions on the subject. We all have a duty to perform towards the Mother Country and towards ourselves as Canadian citizens. We in Canada are like a strong and healthy young man sent beyond the seas to settle on Canadian soil. We, as Canadian and British subjects although subject to the British Crown, have property of our own to defend. As loyal subjects of His Majesty King George V, we have been enjoying the protection of the Mother Country for a long period, and the time has now come when our duty, as of a son towards his mother, should be manifested in a decisive manner. Our policy, from my point of view, should be to have for all time to come, a navy of our own, manned by Canadians who will be ever ready to defend their country and the British Empire. In the northern part of the American continent, there is growing a young nation

which had already made its mark on land, and, if given an opportunity to do so, will gladly and willingly show its loyality to the Mother Country on the seas. Let us build a navy in Canada; let us spend our own money on our own soil, let the poor labourer who will pay, with other Canadians, this $35,000,000 have an opportunity of earning a small part of this amount. Let the miner contribute by his labour to the construction of a Canadian navy. Let our manufacturer have his share in the profits accruing from the part he would play in the construction of a Canadian navy. Let the young Canadian work to the front in respect of the defence of his glorious country.

The Conservative party has not been a party of progress in the past, and to-day, on this great national question, instead of encouraging the development of our resources and commencing the construction of ships of war, they are seeking to help the Mother Country at the expense of our treasury. According to the statement of the right hon. the Prime Minister we will have to wait for twenty-five or fifty years and in the meantime Canada is to contribute her share in money for the defence of her own coast. The Canadian people will not wait that long. I forsee in the near future a change of government, for our national pride will not longer support a government which has shown on several occasions weakness in fulfilling its duties towards Canada and the Empire.

Mr. HUGH H. McLEAN (Sunbury and Queens): The resolution moved by the Prime Minister in connection with the Bill to authorize measures for increasing the effective naval forces of the Empire, and the amendment moved by the right hon. the leader of the Opposition, have been so thoroughly and exhaustively discussed that I would not consider it necessary to take part in this debate were it not that I wish to place on record the reasons why I differ from my party on some of the most essential features of this question. I have been a Liberal, a strong fighting Liberal for over thirty-five years, and I intend to remain a member of that great party. I am taking now the same position as I did in 1910 in the debate on the Canadian naval question. I then advocated two dreadnoughts to be included in the fleet units that we were to furnish. I then thought, and I still think, that Canada must be represented in the fighting line with the best warships that can be built. I am against the question of naval or military defence being made a political question. The large petitions signed by leading Liberals and Conservatives that have been presented to the leaders of the two great Canadian parties should have received favourable consideration. As far as I am personally concerned on all questions concerning naval and military assistance to be given to Great Britain I shall take an independent, and I hope and pray I shall take a loyal stand. As an ardent Imperialist I may, and probably in the opinion of my friends, will take too extreme a position. Under our great leader members of the Liberal party are allowed to take an independent position and discuss freely all questions that come before the House. No party whip has been used on me in this matter, nor was it used in the debate of 1910; full and free liberty of action and speech is given to all members of the Liberal party.

I am strongly in favour of a settlement of this question. I was very much impressed with the proposal made by the hon. member for South Wellington (Mr. Hugh Guthrie). He suggested as a basis of settlement between the two parties, that two dreadnaughts be built in England, and, I understand, loaned to England, and two fleet units be proceeded with and built in Canada. The hon. gentleman forcibly urged the settlement of this question, even at a sacrifice to both sides. He pointed out that if our action is going to give any moral support to Great Britain, it should be a united action.

I will quote one paragraph from that part of the hon. gentleman's speech:

> My voice may be powerless in the matter, probably will be powerless in the matter, but I think it is a matter which ought to be drawn very pointedly to the attention of the House. If our action is going to give any moral support to Great Britain or to the Empire it has to be on different lines from those we are now following.
>
> If we can bridge the gulf, the chasm, by all means let us do so even if there be some sacrifice on both sides, both in regard to the Government's proposal and in regard to that of my right hon. friend, upon the line that I have suggested as the only line that now occurs to me and there may be others.

My hon. friend from Welland (Mr. German) also proposed terms of settlement. He said:

> Let us build the second-class cruisers; let them build the dreadnoughts; $35,000,000 spent on cruisers would be just as valuable to Great Britain as $35,000,000 spent on dreadnoughts. She needs cruisers; she is building cruisers continually. She is building cruisers to-day, and she is spending not $35,000,000, but $135,000,000 on cruisers. Let us build the cruisers which we can build, and let her build the dreadnoughts.

I now come to a plan proposed by the gallant major, my hon. friend from North Ontario (Mr. Sharpe), as a basis of compromise. Let me read it:

> In conclusion, I desire to again state, on my own authority as an individual member of this House, and without attempting to commit my party in any way, that I re-affirm

the position I took in 1910. I believe it would be proper to have a combination of both the propositions which have been submitted. I think we should have an immediate contribution, as outlined in the proposal of the right hon. leader of the Government to meet the present emergency, and that when the Government forms its permanent policy they should adopt a plan which will involve the principle of a Canadian navy. The two policies now before the House are not contradictory, but are complementary, one to another. The adoption of such a plan as I suggest would remove the naval question from the arena of politics—a consummation so greatly desired by leading members of both parties—and place it upon a plane of enlightened citizenship and patriotism. The fact that the Liberal party has suggested two fleet units as their policy does not necessarily mean that the policy is wrong; it may be that they have at last stumbled upon the right policy. Sir Sir Oliver Mowat, in his early days, would steal the clothes of his political opponents and appropriate from them whatever he could obtain. Whether the Government, in formulating its permanent policy, should adopt, with certain modifications, the proposition of our Liberal friends, is a matter worthy of consideration. If this were done, it would remove these national and Imperial questions from the cockpit of contentious politics, would satisfy the demand for immediate assistance, and carry out what I consider to be the aspirations of the Canadian people for the establishing of a great ship-building industry within the borders of our own country.

As I understand his proposal, it is that both parties should unite to make the offer of three dreadnoughts unanimous; then, that the other vessels required for a Canadian naval service be built in Canada, manned and maintained by Canada. I must say I like the offer the hon. gentleman makes. It is an olive branch held out which, if accepted by the leaders, would bring about a settlement. I am strongly in favour of a settlement of this great question.

I thoroughly approve of the independent and loyal stand taken by the hon. member, and I would join my voice with his, in asking the two leaders to have a conference and try to settle the points of difference. Let us drop politics out of this great question; let us no longer make a football of our Canadian naval service, or of the assistance we should give to the Empire. In England, all matters connected with or affecting the army and navy are discussed and settled by the two great parties in a fair and amicable spirit. Why could not a special committee be selected, and appointed, called the Canadian Defence Committee, composed of representatives of both parties, and including the two leaders, to whom all questions relating to our naval and militia service should be referred? Let us forgive and forget the past and start square. Why not go back to the resolution of March 29, 1909, which was passed unanimously in this House, and unite in creating an effective Canadian naval service giving to Great Britain such naval assistance as that which the Admiralty might advise?

Could we not get together on a plan of settlement, such as the following: Carry out the Government's resolution, and adopt the recommendation of the Board of Admiralty that is contained in their memorandum submitted to our Government, paragraph 10, by building 'the largest and strongest ships of war which science can build, or money supply?' Let us agree to make the number three, instead of two, as suggested by the hon. member for South Wellington; then let this special Defence Committee be appointed, and let them take up and decide all the details of the Canadian naval service, our contribution to Imperial defence, and the form that the permanent naval defence force of Canada should take. This would require very careful study, and the advice and the assistance of the best Admiralty experts. The committee should have power to sit during the parliamentary recess, and should visit England, so as to obtain at first hand the best and most reliable information and advice. They should be prepared to make a full report at the next session of Parliament, and both parties being united as to the scheme to be adopted, it could be submitted to the people by a plebiscite. I believe now, that if the right hon. the leader of the Government, and the right hon. the leader of the Opposition, sat down together for an hour, they could, if they wished, formulate an Imperial defence policy that would meet with the approval of all loyal people, or at least agree on a basis of settlement.

It is the duty of the members of this House, it is the duty of the Liberal members, to accept the word of the right hon. the leader of the Government when he takes the responsibility of making the statement on the floor of this House that the advice which he has given with regard to the form which the assistance shall take and the kind of ships that are to be built is practically the advice that he has received from the Admiralty.

I want the party leaders to show themselves in the true white light of public opinion as Imperial statesmen. Let them rise above the mists of party politics. Let the people of our great parties be united as to the assistance to be given to Great Britain and as to our Canadian naval defence policy. The right hon. the leader of the Government has had the benefit of long consultations with the Admiralty, and there is no doubt that in deciding as to the policy that has been put before the House he has been guided by the advice of the Admiralty, and that they wish us to build three of the best ships that can be built.

In the naval debate in 1910 I advocated two dreadnoughts or battle cruisers, so that Canada would be represented in the fight-

ing line. I was against the proposal of the then leader of the Opposition to simply give money to the British Admiralty to spend as they might see fit. I thought then, and I still think, that we should have the best fighting ships that can be built, and that they should be owned by Canada and as soon as we can train men to man them they should be manned and maintained by Canada. I said then, I say now, that we have a large force of men in Canada that might be trained to man these ships and it is our duty as soon as we possibly can, to get the benefits of the material that we have within our own shores.

Hon. gentlemen who have studied the naval question during the past two or three years will have noticed the great changes made in the construction of battleships, and also in naval strategy. The old maxim of Lord Nelson is now adopted by the Admiralty, namely: 'Concentrate your battleships and scatter your cruisers.' I see that hon. gentlemen of my party propose that cruisers of the Bristol type shall be built for the fleet unit. This class of vessel has been found by the Admiralty to be too expensive for the purpose for which it is intended. Cruisers are the eyes and ears of the battle fleet. The Bristol type is expensive to build, expensive to maintain, and it has been indicated by the Admiralty not to lay down any more vessels of that class. The Admiralty has now adopted instead what is called the light armoured cruiser type. I merely mention this to show the marvellous changes which have taken place in the construction of war vessels. That which was a proper naval policy three years ago, when the right hon. the then leader of the Government was advised by the Admiralty to have two fleet units and to have vessels of the Bristol type, would not be a proper policy to-day, and the British Admiralty would not now so advise the Prime Minister of Canada. Mr. Churchill, in describing the eight small armoured cruisers now under construction for the fleet, said:

> They will be the smallest, cheapest and fastest vessels protected by vertical armour ever projected for the British navy. They are designed for attendance on the battle fleet. They are designed to be its eyes and ears by night and day, to watch over it in movement and at rest. They will be strong enough to overhaul and cut down any torpedo destroyer afloat, and generally they will be available for the purposes of observation and reconaissance.

The Admiralty in the building of these small cruisers are recognizing the fact that wireless telegraphy has largely replaced cruisers for fleet work, and the work of a cruiser to-day is either to support the torpedo destroyer attacks or to protect their own battle squadrons from them. In the Navy League Annual it is stated that the realization of this strategical fact has terminated protected cruiser contribution in England. The Bristol type is what is called the protected cruiser type. The protected cruiser type is the class that has protected deck construction, and without heavy side armour protection. The Navy League Annual, in speaking as to this class of light armoured cruiser, states that they possess several unique qualities:

> 1. Sufficient speed to run down the fastest destroyer except in perfectly calm water.
> 2. An armament against which no destroyer built or projected could stand up.
> 3. Protection along the sides to keep out the shells of any guns as yet mounted in any destroyers, and except at close range, proof against the six-inch gun.
> 4. A displacement enabling them to hold the sea long after stress of weather has driven the largest destroyers into shelter.

This type is to be the screen of future battle fleets, and the number to be built is to be largely increased next year and the year after.

I have brought to the attention of the House the particulars concerning this new type of scout cruisers to show hon. gentlemen how quickly changes are made in the type of war vessels, and to specially impress the fact that the expensive Bristol type is being replaced by these cheaper and more economically run vessels. The Bristol type, as hon. gentlemen will remember, was 430 feet long, 4,820 tons, 22,000 horsepower, 25 knots speed, with two 6-inch guns and ten 4-inch guns, and cost about $1,200,000.

At six o'clock, House took recess.

After Recess.

House resumed at eight o'clock.

PRIVATE BILLS.

CANADIAN EXPLOSIVES, LIMITED.

House in Committee on Bill No. 9, respecting Canadian Explosives, Limited.—Mr. Ames. (Mr. Deputy Speaker in the Chair.)

Mr. OLIVER: The promoter of this Bill was not here at the last sitting of the House when the Bill was called. Has he given an explanation of the Bill to the committee?

Mr. AMES: Mr. Chairman, I am quite prepared to give as full an explanation as members desire to have. The matter was discussed on Monday night and a great deal of information was given by the Prime Minister. I am willing, however, to repeat that information and add possibly something further to it, if the House so desires. If what was already said is taken, and any

additional information is desired, I shall be glad to give that on question by any hon. member.

Mr. LEMIEUX: Will the hon. member simply state what is the object of the Bill?

Mr. AMES: This Bill, No. 9, is to permit Canadian Explosives, Limited, which is a very well known company in Canada with a large capitalization, to issue a certain proportion of the stock in share warrants. This practice prevails in Great Britain and in Europe to a very considerable extent. The Bill, which the hon. members now have before them, follows almost identically the British Act, which the hon. member for St. John has in his hand at the present time, about the only difference being that one clause is omitted which prevents directors from qualifying by the ownership of share warrants; there is an additional clause added here. Share warrants are not yet provided for in our Companies Act. When the Companies Act is amended, in all probability, clauses will be inserted as there have been in the Companies Acts of Ontario, Nova Scotia, Saskatchewan, Alberta and British Columbia. Consequently, when a company desires to issue share warrants, the only way they can do it is to have their incorporation by letters patent amended by this House or by a provincial legislature to permit them so to do. This Bill is on all fours, and I think (to do. This Bill is in all fours, and I think is verbally identical with three Bills that have already been passed for instance the Bill passed for the Mexican Light, Heat and Power Company, and the Bill for the Rio de Janiero Power Company. Those Bills were introduced in this House in 1907 by the hon. member for West Middlesex at that time (Mr. Calvert), and some explanations were given, but no very extended discussion. If it is desired, I am prepared to deal with any phase that is spoken of in the several clauses of the Bill. The company simply asks the right to issue a certain portion of stock as share warrants. A share warrant is a stock certificate; it is really a sort of certificate of ownership, the possession of which is sufficient proof of ownership. The name of the bearer need not be inserted in the stock certificate, nor does the name of the man owning the stock need to be entered on the books of the company. A share warrant is transferable like a bank note. Coupons for the interest are usually attached to the share warrants. Where coupons are attached to a share warrant of preferred stock with a regular recognized quarterly dividend, the amount is sometimes specified; where it is common stock in which the dividend is more or less problematical, the dividend coupons are numbered to correspond with the share warrant, and then they are marked: 'Dividend No. 1,' 'Dividend No. 2,' 'Dividend No. 3'; and when the amount of interest and the place where it is payable is advertised in the newspapers, the holder of the coupon presents the coupon for say 'Dividend No. 1' and secures his dividend. The owner of a share warrant at any time can present it at one of the recognized offices of the company, it can be recorded and a general stock certificate issued in its place, with his name registered on the books of the company. The owner of a share warrant for the time being is cancelled out of the list of names of the shareholders of the company. If there should happen to be a meeting of shareholders, he could not vote, unless three days before the meeting he presents his share warrant and receives in lieu thereof a written permission to vote. He votes and then he returns the written permission, and secures his share warrant again.

Mr. LEMIEUX: What proportion of the stock is to be issued in share warrants?

Mr. AMES: The proportion will depend on the demand for the stock in the foreign markets. This is a Canadian company of about $15,000,000 capitalization, $7,500,000 being preferred stock and the same amount common stock. A very considerable proportion of that preferred stock is held by foreign buyers. This share warrant is a form particularly desirable in Belgium, I am so informed, where there are a good many investors. The principal advantage is that the owner of a share warrant does not have to go to the trouble of registering it in his name in the books of the company; but possession of the scrip is taken as legal proof that he is entitled to the dividend or entitled to exchange the share warrant at any time for a regular stock certificate.

Mr. LEMIEUX: Any holder of a share warrant can be a director.

Mr. AMES: No holder of a share warrant can vote as the Bill stands at present, although the Bill does not specify that he cannot become a director. The English Act does specify that in particular. If the House wants to add that to the Bill, it can easily be done. I have a copy of the share warrant that is intended to be issued by this company; it is the one issued by the Dominion Iron and Steel Company. It reads:

This is to certify that the bearer of this warrant is entitled to.....fully paid-up share of .....dollars in the above-named company, subject to the regulations of the company and to the conditions endorsed hereon.

Then follow all the regulations connected with it, so that the holder of a share warrant has printed on the back of his warrant the regulations under which it is held, so

that there can be no chance of deceit when it is being transferred from one person to another. Share warrants are now sold of the Dominion Iron and Steel Company, the Montreal Heat and Power Company, the Mexican Light Heat and Power Company and the Rio de Janiero Company, and I presume other companies, because the provinces of Ontario, Nova Scotia, Alberta, Saskatchewan and British Columbia have legislation.

Mr. PUGSLEY: The difficulty that presents itself to my mind in this Bill is that it is not subject to any general provisions either in the Companies' Act, which is silent upon the subject, in the articles of incorporation, or in the bylaws. There is nothing at all definite about the conditions under which share warrants may be issued; that is a matter left entirely to the directors to deal with from time to time. It seems to me that the conditions under which share warrants shall be issued ought to be laid down in at all events the bylaws of the company, so that these provisions would form part of the constitution of the company, which could only be altered by the shareholders. My hon. friend, if he turns to the Companies' Act of England, will see that it is all provided for in the articles of incorporation. I will read section 37, subsection 3, of the English Act:

It is provided that the bearer of a share warrant shall, subject to the articles of the company, be entitled, on surrendering it for cancellation, to have his name entered as a member in the register of members; and the company shall be responsible for any loss incurred by any person by reason of the company entering in its register the name of a bearer of a share warrant in respect of the shares of stock therein specified without the warrant being surrendered and cancelled.

Section 4 was substantially the same as this except that the conditions are not prescribed in the articles of incorporation—of course, they would not be unless they were in this company's letters patent—nor by by-law. But under this section 4 it is provided:

The bearer of a share warrant may, if the directors so determine, be deemed to be a shareholder of the company within the meaning of the Companies' Act.

There is the difference between the English Act and the provisions of this Bill. In this case, the directors may from time to time determine what conditions are to apply. Then, by section 6 of this Bill which is different from the English Company's Act, it is provided more specifically:

The directors may determine the conditions upon which share warrants shall be issued, and in particular upon which a new share warrant or coupon will be issued in the place of one worn out, defaced, lost or destroyed, and the conditions under which the bearer of a share warrant shall be entitled to attend and vote at general meetings, and upon which a share warrant may be surrendered and the name of the holder entered in the books of the company in respect of the shares therein specified.

My hon. friend will see that the directors of the company must issue a vast number of share warrants, even the majority of the capital stock of the company must be held in share warrants, and the holders of the warrants would have no voice in the management of the company, while the board of directors might represent only a minortity interest, and even a very small minority interest, and might determine the conditions upnder which the holders of the share warrants should have the power to vote or take part in the management of the affairs of the company. This clearly is not right. No power should be given to the board of directors to determine these matters from time to time by mere will or the caprice of the moment. I think the hon. Minister of Marine and Fisheries, who has had a large experience in affairs of this kind and has an unusually great knowledge of company law, will agree that in making a new departure—because this Parliament has not seen fit to embody such provisions in the Joint Stock Companies Act—there ought to be something definite as to conditions under which all the shareholders shall be informed and which cannot be altered from time to time at the will of the directors. I submit that at all events section 4 ought to be changed so as to provide that the holders of share warrants may be under the protection of the by-laws of the company. Make it read, 'If the by-laws of the company so state.'

Mr. AMES: There would be no objection, if the hon. member for St. John thought it desirable, to have the conditions under which these share warrants are issued endorsed upon the warrants themselves. In that way, the holder would understand exactly the terms upon which it is issued.

Mr. PUGSLEY: Then it would be necessary to alter the provisions of the Bill, because the directors, while they might put the conditions upon the back of the share warrants, might alter them the next day.

Mr. AMES: Not with regard to the warrants already out.

Mr. PUGSLEY: I think so under this Bill. That is a great deal of power to give the directors. In the case of a company incorporated under the English Joint Stock Companies Act, it would be provided in the articles of incorporation what

percentage of the shares might be issued as share warrants. But in this Bill there is no limit, and practically all the capital stock of the company might be represented by share warrants, the holders of which would have no voice in the affairs of the company, while the actual management might be in the hands of a body of men representing a very small interest. It seems to me that this Bill is worthy of the consideration of the Government, which is responsible for legislation in this House whether that legislation be of a public character or of a private character. I do not wish to raise factious opposition to this Bill, but it occurs to me that it is my duty to throw out these suggestions for the consideration of my hon. friend who is promoting the Bill and of the members of the Government.

Mr. AMES: I think the House will have to consider the position in which the promoters of this Bill found themselves. If there were any legislation on the federal statute books dealing with all share warrants, then the parties who ask for this privilege would be perfectly willing to come under all clauses of any such Act. And if and when this Parliament sees fit to enact as part of the law of the land provisions regulating share warrants, this and other companies which may have secured this privilege, will, I think, be perfectly willing to submit themselves to whatever regulations in this respect Parliament in its wisdom shall impose. But now, this company has only one method of proceeding. This is an old company, chartered by letters-patent, and it is asking for a privilege which it cannot get in any other way. The only way is by engrafting upon their present letters-patent under which they do business the provision desired. It is not as though they could come to this House and ask for a de novo Bill, including a large number of precautionary measures with respect to share warrants. They can only follow the precedent which was set in other cases. The same Bill was passed for the Mexican Light, Heat and Power Company and also for the Rio de Janeiro Company, which, at that time, were promised by Mr. Carvell. That company adopts the identical procedure adopted in those cases. And I understand they are willing to submit themselves to any general legislation that may be introduced. The Bill is open to the consideration of those hon. members who have had experience in corporation matters, and I would be prepared to receive the suggestions of the hon. member for St. John. In order that the conditions of the share warrants should be laid down by the directors, I would be willing to have them proceed by by-law. Or I am willing that the conditions under which these warrants are held shall be inscribed on the share warrants themselves, so that the holder may know exactly the conditions under which he has secured them. This company has two kinds of stock, the preference and the common, in equal quantity; and according to their letters-patent, the voting power is not with the preferred stock, and it is their intention at the present, to issue these shareholders entirely on preferred stock, though they may subsequently issue it also on common stock. Their letters of incorporation say that the preferential shares shall not confer on their holders the right to attend or vote either in person or by proxy at the general meetings of the shareholders of the company, or to have notice of such meeting unless the meeting is convened with respect to a matter which directly affects the preferential shareholders.

Mr. PUGSLEY: Would the hon. member be willing to change section 3 to read as follows:

The bearer of the share warrant shall, subject to conditions to be determined by the by-laws of the company——

Mr. AMES: Certainly, but I presume the hon. gentleman is willing to allow us to consider the Bill clause by clause, and to make the suggestion when that particular clause is reached.

Mr. HAZEN: Might I ask my hon. friend if he knows what provision there is, if any, in the English Act as to the proportion of stock for which a share warrant could be issued?

Mr. PUGSLEY: I think this would be determined by the articles of the company.

Mr. AMES: There is nothing in the English Act on that point, the only provision being that only a limited liability company, the amount of whose shares is distinctly known, can use this privilege.

Mr. PUGSLEY: Then, if my hon. friend accepts the view I have presented, he would probably have to alter section 1 so as to correspond in some respects with section 37 of the English Act. This would probably deal with the question proposed by the Minister of Marine and Fisheries. Section 37, subsection 1, of the English Act is as follows:

A company limited by shares, if so authorized by its articles, may, with respect to any fully paid-up shares, or to stock, issue under its common seal, a warrant.

I assume that these articles would provide as to the proportion of stock which might be issued by virtue of share warrants.

Mr. LEMIEUX: Is it not the intention of the Government to revise the Companies Act?

Mr. HAZEN: Yes, but it is doubtful whether this can be done during the present session.

Mr. OLIVER: The promoter of the Bill has stated that in this particular case the company requires or intends to use only the special provisions of this Act in relation to that part of their shares in regard to which they now apply the same provisions. That is to say, as I understand this Bill, the purpose of the share warrant is to exclude the holder from voting.

Mr. AMES: That is not the purpose.

Mr. OLIVER: That is the result, at any rate. At the present time this company does exclude the holder of preferred shares from voting. It is intended that share warrants shall be issued only in regard to preferred shares. If the Bill confines itself to that feature of the case, it would be a special Act for a special purpose, and as the Bill stands at the present time, it is practically a general Act applying only to a special company. It does seem to me that this is not good legislation.

Mr. HENDERSON: It is not of general application.

Mr. OLIVER: It is not of general application, but it is of a general nature. When Parliament decides that it is desirable to pass general legislation providing for share warrants, that will be well and good. Up to the present time, however, Parliament has not so decided, and I think the promoter would be well advised if he restricted this Bill to that feature of the case which it is evident the shareholders actually desire.

Mr. AMES: Perhaps I can give the hon. member the information he desires by reading the following letter, which I have received from the promoter:

My understanding is that Canadian Explosives Limited will probably only issue share warrants with reference to its outstanding preferred shares, and therefore the conditions will refer definitely to fixed dates of payments, which I understand are quarterly.

Further on he says:

In the case of Canadian Explosives Limited the holder of a share warrant covering preferred shares will of course be deprived of the right of voting, save and except in the special cases which are provided for in the company's charter, where the preferred shareholder is to have the right of voting.

Mr. MACLEAN (South York): Can share warrants of common stock be issued in respect of other companies?

Mr. LEMIEUX.

Mr. AMES: Yes, it is often done in England. The hon. member for Edmonton is evidently under the impression that this Bill embodies unusual procedure, but I have endeavoured to show him that it is very common in England, and that such matters have been covered by legislation in most of the provinces. It is only the fact that such general legislation has not been passed by this House which forces the company to come here and ask for the special privilege.

Mr. OLIVER The fact that Parliament has, whether for good reason or bad, not provided such general legislation, is a sufficient reason why it should not be granted in a special case. I have no desire to obstruct the Bill, but I would suggest to my hon. friend that if he will make this Bill applicable only to the preferred stock, any difficulty that might arise in regard to the matter would be readily overcome.

Mr. MACDONALD: The point raised by the hon. member for Edmonton is one which could have been dealt with by this Bill much more satisfactorily if the company had come to Parliament for the purpose of getting new legislation creating them a company under a special Act. The anomaly of this legislation exists in the fact that a company which has been incorporated under the Joint Stock Companies Act, and which has chosen that particular method of coming into existence, asks Parliament to confer upon it supplementary powers. If it came to Parliament and asked that a special Act be passed declaring that the company had corporate rights and privileges under the same name, but entirely apart from the Joint Stock Companies Act, we would avoid the anomaly which lies at the basis of this legislation. I care not whether it has been done once, twice, or a dozen times, it is bad practice for this Parliament to give by special Act, to a company created under the Joint Stock Companies Act, supplementary powers which other companies cannot obtain.

Mr. AMES: Unless other companies get it in the same way.

Mr. MACDONALD: I do not quite see the point.

Mr. AMES: Other companies wishing to obtain it can get it in the same way as it was obtained by this company.

Mr. MACDONALD: They should come to Parliament and be created a company by Act of Parliament apart altogether from the Joint Stock Companies Act. Parliament could create the company giving them corporate rights to take over the property, rights and powers of the Canadian Explosives, Limited, and, by a

special Act, set out the rights of the new company. This has been done frequently in the legislatures of the provinces and in this Parliament, and that is the way this legislation should have been initiated, instead of supplementing by Act of Parliament the general powers contained in the Joint Stock Companies Act. How is anyone in the active practice of the law, undertaking to advise a client with regard to the rights existing in respect of the Canadian Explosives Company five years after this, to tell exactly what those rights are, except by means of an exhaustive search through the records of Bill legislation in this House? because this company would be sailing under false colours, under the colour of being a corporation created by the Joint Stock Companies Act, that would be the flag that was flying, whereas if incorporated under a special Act of Parliament you could go to the special Act and know where you were. That was the trouble with this legislation, and I first raised exception to it on the ground I am now stating. My hon. friend has referred to certain other companies that have obtained these rights in Nova Scotia. They have obtained them not because they were Joint Stock Companies Act companies but because they had special Acts conferring these rights on them.

Mr. AMES: The specimen share warrant I have here, intended to be embodied exactly, is that of the Dominion Steel Company.

Mr. MACDONALD: The point is that the Dominion Steel Company did not get the right to issue share warrants by virtue of being incorporated under the Joint Stock Companies Act or of a special Act passed supplementary to the Joint Stock Companies Act, but because they held a special Act of incorporation granted them under the legislature of the province of Nova Scotia which contains in it the right of issuing these share warrants. That is the ground I take. Where does this company do business and who are its directors?

Mr. AMES: The company does business primarily in Montreal and I think Mr. William McMaster is its president.

Mr. MACDONALD: Where are their works?

Mr. AMES: I think there are a number of them. The Hamilton Powder Company were their predecessors. It is an old company. This is an amalgamation of several companies engaged in the manufacture of powder and explosives.

Mr. MACLEAN (Halifax): In some respects I entirely agree with the hon. member for Pictou (Mr. Macdonald) but not in the application of what he has said to this Bill. Last session and this session one or two Bills were introduced changing the names of companies incorporated under the Joint Stock Companies Act, and I made the objection at the time that this was very objectionable legislation. The time of Parliament should not be taken up, neither should our statute-books be occupied with legislation of that character when they could have the name of the company changed under the provisions of the Companies Act. In this particular case, as the hon. member for St. Antoine has pointed out, there being no provision in the Companies Act relating to the issuance of share warrants they have no recourse but to Parliament for that power and consequently I think the point taken by the hon. member for Pictou fails in that respect. It would be objectionable to have companies coming to Parliament any more than we can help and obtaining their full powers in the form of a statute, but I would make this suggestion that the Government should introduce a Bill providing for amendments to the Companies Act and empowering the issue of share warrants by all companies and then we would be rid of these special Bills day after day. Such a Bill could be prepared in an hour. I remember that in the second last Parliament a Bill was introduced to amend the Companies Act so as to grant companies the power to issue share warrants. That Bill passed this House but was defeated in the Senate and I have always thought it was unfortunate that it met such a fate. I would suggest that the Government consider this and introduce a Bill at an early date giving to companies the power sought for under this Bill, which are very proper powers, and are necessary in the ordinary course of business of many companies in Canada.

Mr. HAZEN: I do not think there is anything exceptional or unusual in a company that is incorporated under the Companies Act coming to Parliament for the purpose of getting powers that it is found desirable the company should have for the purpose of satisfactorily carrying on its business and which it is unable to obtain under the Companies Act. There are many precedents for that practice, both in this Parliament and in the legislatures. In New Brunswick, when my hon. friend and colleague from St. John was Attorney General and subsequently when I was Attorney General of that province, certain powers were given to companies originally incorporated under the Joint Stock Companies Letters Patent Act, powers which they found necessary in order to carry on their business. It has been recognized by the provincial and Dominion Parliaments that provision be made so that joint stock companies incorporated under the Companies Act shall have the power to issue the share certificates. That would indicate that it is desirable for the proper carrying on of the business of companies such as this that

that power should be given to them, and it was only to obtain that power that it cannot obtain under the Companies Act that the company comes to this Parliament. Similar power has been granted in three other cases here. That being the case, what valid objection can there be to this Parliament granting a similar power to the company now seeking it, provided the Bill now submitted by the company is properly drawn and provides the proper safeguards. I think it would be well to guard this Bill in the line suggested making the provision that these certificates can only be issued by by-laws of the company. That could easily be done, I understand the hon. member for St. Antoine is quite willing it should be done and in that case it is hard to understand why this Parliament should refuse to this company the same privilege it has granted to previous companies some years before. We will all agree with the hon. member for Halifax that: it is desirable that companies incorporated under the Companies Act should have the power to issue these stock certificates and that the Companies Act should be amended so as to make provision therefor. There are a number of respects in which the Companies Act will have to be amended. It has not been amended for some years past. New matters have developed, new legislation has taken place in other countries. There have been developments following along the line of the company law of this country and it is evident that the Act, in the near future, will have to be carefully considered with the view of incorporating into it the provisions which are necessary to meet the altered conditions that have sprung up in the last few years. While it would be an easy matter, as pointed out by the hon. member for Halifax (Mr. Maclean), to draft an amendment that would simply meet a case such as that under consideration, so as to enable companies that are incorporated under the Companies' Act to issue share certificates, yet, at the same time, it might be better instead of dealing with the Act piecemeal, to have a thorough revision at another session of Parliament in order to have time to consider the different changes that may be desirable in the public interest.

Mr. PUGSLEY: I am glad that my hon. friend the Minister of Marine and Fisheries (Mr. Hazen) is clear in the view that it is desirable to amend the Bill along the lines which I suggested. But it seems to me that there is one other amendment which ought to be made and that would be along the lines which are followed in section 37 of the regulations which form a part of the English Joint Stock Companies' Act. My hon. friend will see that, if this Bill were to pass, the holders of share warrants would have absolutely no voice in the management of the company. If anything was going wrong and they wanted to have a meeting of shareholders, they could not have that meeting because, under this Bill, to all intents and purposes, they will cease to be shareholders and will be the holders of share warrants.

Mr. AMES: Could they not present their share warrants and get stock certificates?

Mr. PUGSLEY: They might not want to do that. Here is a very valuable provision in the English regulations which forms a part of the English Joint Stock Companies' Act:

> The bearer of a share warrant may at any time deposit the warrant at the office of the company, and so long as the warrant remains so desposited, the depositor shall have the same right of signing a requisition for calling a meeting of the company, and of attending and voting and exercising the other privileges of a member at any meeting held after the expiration of two clear days from the time of deposit, as if his name were inserted in the register of members as the holder of the shares included in the deposited warrant. Not more than one person shall be recognized as depositor of the share warrant. The company shall, on two days' written notice, return the deposited share warrant to the depositor.

This is a most valuable provision. It gives the holders of share warrants the right, if at any time they think there should be a meeting called, to have that meeting called, to attend, vote and take part in the affairs of the company. But under this Bill, if it passes, the very moment a shareholder accepts a share warrant, he, ipso facto, ceases, for all practical purposes, to be a member of the company, has no voice in the administration of affairs, and no right to have a meeting to have the affairs of the company investigated.

Mr. AMES: On the back of the certificate I have here, the clause in the English regulations that the hon. gentleman has quoted is copied almost verbatim.

Mr. PUGSLEY: All the more necessity there is for placing it in the Bill.

Mr. AMES: I will read it:

> The bearer of a warrant, upon depositing the warrant at the office, or such other place as the directors shall appoint, not less than three days before any meeting of the company, shall receieve a ticket or proxy authorizing him to attend and vote and exercise the rights of a member at such meeting in respect of the share or shares for which the warrant or warrants has been so deposited, and after the meeting the warrant or warrants shall be returned to him or to the

bearer of the ticket or proxy upon surrender thereof.

Mr. PUGSLEY: There is no doubt that has been copied from the conditions endorsed upon the share warrant of an English company?

Mr. AMES: Yes.

Mr. PUGSLEY: It is part of the law in England and while we are legislating for a highly respectable company, by whom the rights of the holders of share warrants will be protected, we are at the same time creating a precedent. We have been told that three other companies have obtained this privilege and if we pass this Bill the next gentleman promoting a Bill of this kind will say there are four companys which have received this privilege. It becomes more and more a precedent and it is one which ought not to be continued.

Mr. BARNARD: Is the regulation that the hon. gentleman is reading from part of table A of the English Companies' Act, or a section of the Act itself?

Mr. PUGSLEY: It is a schedule to table A.

Mr. BARNARD: I think that the regulations of table A are merely bylaws and in addition there is a provision in the section of the Act relating to share warrants. These regulations are, under the English Act, almost invariably followed in the incorporation of a company, but they may or may not contain the provision of which the hon. gentleman speaks.

Mr. PUGSLEY: That may be so, but it seems to me that is a most valuable provision to make, and my hon. friend who is promoting the Bill seems to admit that it is a proper one. If it is it should be put in the statute. Schedule A forms a part of the statute. What does my hon. friend mean by saying that these regulations can be done away with?

Mr. BARNARD: What I mean is that, in incorporating companies under the English Joint Stock Companies' Act, unless the shareholders who are incorporating the company adopt a different set of regulations, the regulations in table A will apply to the company. But it is altogether optional with the incorporators of the company whether they shall or shall not adopt table A. If they do not they are entitled to make any such regulations for the internal government of the company as they see fit, provided these regulations are not ultra vires and do not go beyond the scope of the Act itself. The sections of the Act which give permission for the issuing of share warrants expressly provide for the inclusion of such a regulation as the hon. gentleman has just read to the House, but it is wholly within the option of the shareholders incorporating the company as to whether they shall or shall not adopt such a regulation.

Mr. PUGSLEY: My hon. friend, no doubt, is right as to that; but that can be altered only by the articles of association which form part of the constitution of the company. Are not these articles of association subject to the approval of the registrar under the Joint Stock Companies' Act of England.

Mr. BARNARD: I do not think so. These articles of association must be signed and printed in the same way as the memorandum of association and every shareholder of the company is held to have notice of the regulations. When he buys his shares he is supposed to know what is in the regulations. As long as these regulations do not give the shareholders power to do anything that is ultra vires of the company under the conditions the regulations are binding on the shareholders.

On section 1—issue of share warrants:

Mr. PUGSLEY: I presume that my hon. friend (Mr. Ames) would move that the section be altered by inserting after the word 'may' in line two, the words 'if so provided for by the bylaws.'

Mr. AMES: Yes.

Section as amended agreed to.

On section 3—surrender and cancellation:

Mr. PUGSLEY: Section 3 should be amended so as to read:

The bearer of the share warrant shall, subject to the by-laws of the company, be entitled to surrender, etc.

Section as amended agreed to.

On section 4—to what extent bearer is to be deemed shareholder:

Mr. PUGSLEY: This section reads: 'If the directors by by-law so determine.' I would not let the directors make the bylaws; it should read: 'if the by-laws so provide.'

Section as amended agreed to.

On section 6—directors may vary conditions of issue:

Mr. PUGSLEY: It is objectionable to allow the conditions under which a person holds a share warrant to be altered after the warrant is issued, and I therefore suggest that the words 'before or after' be stricken out.

Mr. MACLEAN (Halifax): The same provisions are in the English articles of association, and they have been pretty well tried.

Mr. PUGSLEY: If they are in the English articles, I would not perhaps object to

them. Line 1 should be amended to read: 'The by-laws shall determine the conditions,' instead of, 'the directors may determine.'

Mr. AMES: Very well.

Section as amended agreed to.

Bill reported.

NAVAL FORCES OF THE EMPIRE.

Mr. HUGH H. McLEAN (Sunbury and Queens): I was very much impressed with the speech of my hon. friend from South York (Mr. Maclean). I know he is a parliamentary fighter, and I was pleased to see that on this question he is in favour of an understanding between the parties. He is in favour of a Canadian naval service or a Canadian navy; he is in favour of our ships being built in Canada; he is in favour of the resolution before the House, that Canada should build in Great Britain three of the strongest and best ships that money and science can procure. He wants the Government and the Liberal party to unite their policies on this matter, and he gave a very apt illustration, saying:

> I like to see them run
> Like the horses of the sun,
> All abreast.

Now, I think, Mr. Speaker, it would be a grand thing if the two parties in Canada should, in all Imperial matters, and on all questions relating to naval assistance to the Motherland, follow that motto, and like the horses of the sun, run all abreast.

I have endeavoured during the last three years, which included two trips to England, to obtain all the information I could respecting naval matters and I must admit that the more I study this subject the more convinced I become of how incompetent the layman is to form a correct opinion as to the requirements of the naval service. The Admiralty are revising and continually changing their policy. The British navy has made greater strides during the last five years than ever before in the history of the nation.

Let me give an example of the evolution of the British battleship, commencing with the year 1856: the Thunderbolt, 1,973 tons; speed, five knots; length, 186 feet; guns, sixteen, muzzle-loading; cost £80,000. The size and cost steadily increased year by year until we come to the best of the pre-dreadnought type, viz., the King Edward VII and Lord Nelson, 1905-1907. There were ten of this class: 16,350 tons, 18,000 horse-power; speed 18 knots; length, 425 feet; armament, four 12-inch guns, four 9-inch guns, ten 6-inch guns; weight of single discharge 5,920 pounds; cost £1,473,245. The dreadnought type was invented in 1906-1907. The outstanding feature of the dreadnought type is its gun power and speed. Hitherto no modern battleship had been constructed carrying more than four 12-inch guns or of a greater speed than 18¼ knots. In the dreadnought ten 12-inch guns were mounted, higher from the water and therefore with a better command than the King Edward type, a greater resisting power, three knots more of speed and increased radius, her bunker capacity being sufficient to enable her to steam about 5,080 sea miles at an economical speed and about three thousand sea miles at 18½ knots. Also, in order to protect the ship from under-water explosion, the hull was divided into an increased number of water-tight compartments. Eight of the 12-inch guns could be fired on either broadside, and four or six 12-inch guns could be fired ahead or astern. The dreadnought herself was sixty-five feet longer and four feet broader than the King Edward; the cost was £1,813,100.

The result of the building of the dreadnought was that Germany and other nations stopped building vessels, and adopted the dreadnought type.

England has gone on increasing the size and efficiency of this class of battleship until we now have the Orion, 1910-1911—four in this class—called super-dreadnought: size, 22,500 tons; horse-power, 27,000; speed twenty-one knots—best speed, twenty-three knots; length, 545 feet; beam, 88.5 feet; armament—ten 13.5-inch guns, sixteen 4-inch guns, three torpedo tubes; weight of discharge, 12,500 pounds; cost, £1,900,000. The King George V class are now being completed and will be ready this year—five of this class. They closely resemble the Orion class in armour and armament. No particulars are available of the designs for the battleships now building and to be built. It is stated, however, that they will show a further increase in size and armament.

The question naturally arises, whereunto will battleships grow? In order that hon. gentlemen will understand the different types of war vessels, I shall give the definitions set out in the Navy Annual.

Battleship: a ship specially designed to face and give the hard knocks of a fleet action.

Battle cruiser: a vessel combining the speed and other essential qualities of a cruiser, with an armament and protection sufficient to enable her to take her place in the fighting line beside the battleships.

Cruiser: a warship of high speed, usually employed in scouting, commerce protection, and special service. They fall into various categories: (a) armoured cruiser, a vessel having vertical external armour; (b) protected cruiser, a vessel with deck protection

only; (c) unprotected cruiser, a cruising vessel having no armour. Now let me give an example of the latest battle cruiser type: 'the largest and strongest ships of war which science can build or money supply,' called dreadnought battleship cruiser. The latest vessels of this type are the Lion, the Princess Royal and the Queen Mary. For instance, the Lion and the Princess Royal have a length of 660 feet, a breadth of eighty-eight feet six inches, a normal draught of water of twenty-eight feet, a displacement of 26,350 tons, an estimated horse-power of 70,000. It is stated that the Tiger the last vessel to be laid down, the horse-power is to be increased to 100,000; armament, eight 13.5-inch guns and sixteen 4-inch guns. The heavy guns are placed in the centre line, and the eight guns command large arcs on horizontal training on both broadsides. The Queen Mary which was launched in March, 1912, will have a displacement of 27,000 tons, and the Tiger which is now building will be still larger and in addition to the 13.5-inch guns is to be armed with six-inch guns. They are fitted with two 20-inch torpedo tubes, and are the first ships built to cost over two million pounds. The cost of the Lion was as follows:

The hull fittings and equipment.. .. £	987,345
Propelling and other machinery.. ..	499,303
Gun mountings, torpedo tubes, &c...	334,222
Guns..	118,300
Establishment charges..	118,538
	£2,057,708

Look at the tremendous speed these vessels have. The Princess Royal attained a maximum speed of 34.7 knots, almost 40 land miles, equal to the speed of a fast express train, and her mean speed was 33½ knots. This is the type of vessels the Admiralty have mentioned in their memorandum, as the strongest and best ships science can build and money supply. That is the class of ships one would suppose that Canada will build, Canada will own and Canada will loan to the British Admiralty, until Canada requires them.

Lord Fisher, one of the best of our sea lords said:

> Speed is now the weather gauge. It enables you to get into a position of advantage, and as far as the handling goes speed is the first consideration and once you get into a position of advantage with anything like a head on your shoulders, you ought never to let an enemy get out of a position of disadvantage.

Now, let me give a short description of the guns. In this description I have followed what is called the British Rifled Ordnance tables. The guns made by private makers are of greater weight and are longer than the figures I have here.

The 13.5 inch gun has a length of 433 inches, or over 36 feet; weight, 69 tons; throws a projectile weighing 1,250 pounds. This gun has an energy of penetrating 25 inches of wrought-iron at 3,000 yards, has an effective range against an average modern armoured warship of about 4 miles, and an extreme range of 25,000 yards. When we remember that the latest dreadnoughts are to be armed with these mighty pieces of ordnance, the tremendous concentration of their powers of aggresion makes contemplation of the future naval battle simply appalling.

The 6-inch gun is the limit of the quick firing gun series. Its projectile is 100 lbs.; weight, about 7 tons; length, 269.5 inches, equal to over 22 feet; penetrating power at 1,000 yards of 18 inches of wrought iron and at 3,000 yards, 11.6 inches.

The 4-inch gun delivers a projectile of 25 lbs.; penetrating power at 1,000 yards 5·4 inches, at 3,000 yards 3 inches; weight of gun 26 cwt.; length of gun 120 inches, or 10 feet.

This reminds me of the criticisms we have heard of the Niobe. Gentlemen who have made these criticisms cannot have looked into the question. It is true that they are not building vessels of that class to-day. But it is also true that the Niobe is armed with 6-inch guns and 4-inch, besides a full armament of other sizes. Therefore, as a training ship, it is the best that Canada could have for the purpose—only for training purposes.

Mr. PUGSLEY: That is what she was obtained for.

Mr. McLEAN: I would not put the Niobe forward as a fast modern cruiser. But for the purpose for which she was bought, to teach these men to handle that size of guns, she is especially adapted. And let me tell hon. gentlemen that those ships that are used as training ships in Great Britain have no larger guns. They do not put on training ships these great 12-inch and 13·5-inch guns.

Now, we come to the torpedo class vessels. These have increased in size enormously. The Admiralty has settled down now to what are called the 'ocean destroyer' torpedo class. These vessels are of 2,170 tons and 30,000 horsepower. Their speed is 38 knots. Think of that. When it is remembered that a knot is nearly a mile and a third, we find that we have a craft here with a speed of about forty-three or forty-four miles an hour. She is armed with four 4-inch guns. This is the type of vessel turned out to destroy the destroyers. She is sent out to search for torpedo boats and put them out of commission. Such a craft, of course, requires great speed. The latest type of torpedo boats are 170 feet long and

have a draught of 66 inches. Their speed is 26 knots and they carry a small crew—33 men. The latest type of torpedo boat is illustrated by the Warrego, built for Australia. She was built in England and shipped in sections to Australia and reconstructed there. So, when you hear about the wonderful things Australia is doing, you have to look into records to find that this vessel had to be shipped in sections from England.

Next we come to the little craft called submarines. It is almost impossible to secure a description of the latest type of these vessels. But I will give the latest described in the Navy Annual. This vessel was built in 1910. She has a length of 135 feet with beam 13½ feet; size 321 tons; she has a speed of thirteen knots on the surface, or, submerged, ten knots.

And now I come to the most marvellous instrument of destruction ever invented, called the automobile torpedo. This is capable of carrying a charge of over 300 pounds of gun cotton at a speed of twenty-seven miles under the water, and running as true as the compass and hitting a ship at a distance of over four and a half miles. This would be a most efficient instrument for coast protection. I mention these things because when I come to the next question under discussion, as to the naval service and the navy of Canada, it is well for us to remember the different types of ships now being used by the Admiralty in England, so that hon. gentlemen opposite can determine what class of ships it would be best to adopt for use in Canada.

The question of our naval service and coast defence should be carefully studied and the advice and assistance of the best experts obtained. I sometimes think that the less a man knows about a question like this the more apt he is to express a very strong opinion about it. I believe that both sides agree on the principle of a Canadian naval service. What we all agree upon is that the Canadian naval service must be effective for the protection of our coast, also that it should be of assistance to Great Britain in case of war. Let me cite paragraph 7 of the Admiralty's memorandum:

> The rapid expansion of Canadian sea-borne trade, and the immense value of Canadian cargoes afloat in British and Canadian bottoms, here require consideration.

It goes on to give the figures, and shows the enormous sum for last year of £72,000,000 and the tonnage of Canadian vessels of over 718,000 tons. Canada to-day is the eighth largest ship-owning country in the world. Over sixty per cent of our entire trade is ocean-borne. Therefore it is about time that Parliament should take up this great question of the establishment of a Canadian naval service, an efficient service and one that shall be useful for the purpose for which it was established. I will again cite from the Admiralty's memorandum:

> Great Britain still has the power, by making special arrangements and mobilizing a portion of the reserves, to send, without courting disaster at home, an effective fleet of battleships and cruisers to unite with the Royal Australian navy and the British squadrons in China and the Pacific for the defence of British Columbia, Australia and New Zealand. And these communities are also protected and their interests safeguarded by the power and authority of Great Britain so long as her naval strength is unbroken.

Hon. gentlemen will see by that statement that, so far as the Pacific coast is concerned, England at the present time, with her large fleet on the China station, can give us the protection we require on that coast. That would seem to dispose absolutely of the question, at least for the next ten years, of our having to do anything for the protection of the Pacific coast by providing battle-ships. On the Atlantic coast, for instance, we would first be protected by the great steel wall of battleships that England has in the North sea, and it would be safe to assume that in case of war, Germany or any other great continental power would not be able to send out to Canada any of her big fighting ships—the smaller class of vessels only could be spared.

In regard to the protection of the gulf of St. Lawrence, one entrance to the gulf is the strait of Belle Isle, which is very narrow and forty miles long. One or two destroyers and submarines could easily guard that entrance, and mines could also be laid, giving added protection. The other entrance to the gulf is the Cabot straits, between Cape Ray and Cape North—that is between Cape Breton and Newfoundland. With two destroyers and a scout cruiser, it would be difficult for any war-vessel, except one of the very largest class, the dreadnought type, to get through that entrance. Then, after leaving Quebec, about six hundred miles of protected water would have to be traversed before the vessel would get out into the high seas. When on the high seas she should be comparatively free from attack, as an effort to find her would be like hunting for a needle in a hay-stack. Then take the bay of Fundy. Vessels would have to keep clear of the Muir ledges, and would be obliged to pass between Gannet Rock and Briar island. The entrance is so narrow—only sixteen miles—that it could be easily guarded and protected, and Halifax harbour, and our other harbours, could be amply protected with land batteries, submarines and mines.

We should own our own torpedo destroyers, torpedo boats and submarines, as it would be out of the question for these

types of small craft to be sent out from England when once war has been declared, no matter how pressing might be the need for them. It is recommended by the Admiralty that scouts and destroyers be fitted with turbine machinery, and equipped to burn oil. This method of propulsion is very simple, easily worked, and would mean comparatively small complements both below and on deck, thus enabling higher wages to be paid and ensuring a good class of men entering the service.

In regard to the manning of our vessels, we have the Niobe, which is specially adapted to the requirements of a large training ship. In our fishermen we have the finest possible human element for this purpose: hardy sons of the sea, second to none in seamanlike qualities and courage —men who in the stormy seas about our coasts run risks at the thought of which landsmen would be appalled. With a little training, they would become efficient for the ordinary duties of seamen on a man-of-war. Of course we know that warships need highly trained specialists, such as gunners, engineers, wireless operators and signal men, and until Canadians are trained to that class of work, we would get from England the men required. We should look forward to the time, however, when we would have Canadian officers and men trained to serve on our Canadian ships.

At the Naval Conference in 1907, Lord Tweedmouth said:

> You can have the most magnificent ships, guns, armour and everything else, but if your men are not properly trained, your guns, your armour and your ships are absolutely uesless.

We should be able to train in Canada a large force of men as a naval reserve, thus enabling us to give to England in case of war the finest class of men for ordinary work on board ship. There would be no difficulty in getting volunteers from our fishermen for that service during the three winter months. They are now skilled in seamanship, are of a mechanical turn of mind, hardy and brave, and in three years we would be training a large body of efficient men as a naval reserve, ready to take their places in the fighting line.

A high authority in the Admiralty states as follows:

> In naval discussions, attention is devoted almost exclusively to the providing of battleships to the fleet. The battles are won not by ships, but by men. In an emergency, even the largest armoured vessels can be completed for us in about two years. It takes more than twice that time to train an efficient gunner or torpedo man, and over seven years to educate a responsible junior officer. Men who are needed for the arduous service for the Royal navy to-day are those who, first, are constantly available; second, are familiar with the routine life aboard a man-of-war; third, have an aptitude for mechanical as distinguished from manual work. In a naval war the victory will depend mainly, not on the type of large ships, but on the type of our men. Let it be our task to see that there are enough of them, be the cost what it may, who, when the day comes, will be cheap at any price. The danger lies in the lack of officers and men to man the ships.

Hon. members talk about Canada having a navy, and speak lightly of our establishing a big navy, having ships of our own, manned and controlled by Canada. In theory it sounds well. Let me say that I am in favour of a Canadian navy, but I want it to be efficient, and I have no desire that we shall bite off more than we can chew. Australia has been quoted as an example, and I want to put before hon. gentlemen her scheme and see if they think it advisable to adopt it. The report of Admiral Henderson states that Australia's fleet will consist of eight battle-ship cruisers, ten protected cruisers—which I understand are now to be changed to small, light cruisers—eighteen destroyers, twelve submarines, and sundry auxiliary vessels at a total cost of £23,000,000. This is equal to about $115,000,000, and annual cost of maintenance will be £1,226,000, or $6,000,000. The building scheme is to cover a period of twenty-two years, and she will require a personnel of fifteen thousand men. Australia has so far found it impossible to get the men; she has been obliged to hire them in England. Only a small number of Australians have been induced to serve in the navy, although they are paid almost two and a half times as much as British seamen are receiving. Australia, will, no doubt, be able in time to train the necessary officers and men, and if Canada also started a navy it would take some years to train the men. We must, therefore, make a start as soon as possible, and have a large naval reserve in course of training. The Times of February 24 last said:

> The ship-building programme in this country is well in hand, and by the end of the year the battle cruiser Australia, the second class cruisers Melbourne and Sydney, and the two submarines, all of which are under construction here, will be ready to sail for Australia.
>
> Materials for the second class cruiser, Brisbane, which is to be built at Sydney, are now being shipped, and it is expected that in April of next year the Commonwealth Government will formally take over the Australian navy.

The following are the vessels in the service of Australia which appear in the February navy list:

Gayunda, gunboat, Lieut. Com. W. H. F. Warren, R.A.N.

Paluma, gunboat, Williamston.

Parramatta, t.b.d., Lieut. H. J. Feakes, R.A.N.

Protector cruiser (naval reserve training ship), Com. A. C. Dunn (retired), R.N.

Tingira, boy's training ship, Com. C. La Lewin, R. N.

Warrego, t.b.d., completing at Sydney.

Yarra, t.b.d., Lieut. Com. T. W. Biddlecombe, R.A.N.

Ships Building.

Australia, battle cruiser, completing by Messrs. J. Brown and Co., Clydebank.

Melbourne, protected cruiser, building by Messrs. Cammell, Laird and Co., Birkenhead.

Sydney, protected cruiser, building by the London and Glasgow Shipbuilding Co., Glasgow.

Then there is an expenditure of £17,000,000 or $85,000,000 on docks and stores, making a grand total projected expenditure amounting to £88,000,000, equal to about $440,000,000. They hope with regard to the personnel, before the expiration of the period of twenty-two years, that they will have senior officers trained and junior officers at a much earlier date. Until that time, they will get from England a loan of officers and men. Australia is now having built in England a battle cruiser, the Australia, and two second-class cruisers, the Sydney and Melbourne. Submarines were to be delivered this month. Her auxiliary ships include a repair ship, a distilling ship, oil ships, a mine laying ship and other auxiliaries. It is interesting to note that while in the Imperial navy ordinary seamen get in England 1s. 3d. a day, in Australia they receive 3s. By this you will see that the pay in most cases is about one hundred per cent higher, and the pay of officers is about thirty per cent higher. It will also require a large sum to provide for the pensions. Australia, as you all know, has a population of about 5,000,000 of people, and has not the great resources and wealth of Canada. Now, when we talk about establishing a Canadian navy we should remember that we are entering upon no light task. Australia is in a different position from Canada. She is afraid of Japan, and being so far from England they may require a larger local naval service.

Then, the Argentine navy is held up to us as an example. The Argentine navy to-day includes the following vessels built and building or projected:

	Built.	Building or projected.	Totals.
Capital ships..	3	2	5
Other armoured vessels	4	..	4
Armoured cruisers.. ..	4	..	4
Protected cruisers.. ..	5	..	5
Torpedo-gunboats.. ..	2	..	2
Destroyers..	15	..	15
Submarines..	1	..	1
Torpedo boats—			
(1) serviceable	8	21	29
(2) older types	18	..	18
Totals	60	23	83

The personnel at the end of 1911 was as follows: officers, 763; petty officers and men, 7,147; reserve, 5,962; special reserve, 5,449. Twenty officers have been permitted to join the United States navy for a course of training.

Are we prepared to go into a navy of that size at a prospective cost of over $200,000,000. It may be necessary for Argentine as she is an independent nation. But is it required of us? Argentine has expended for naval purposes during the last two years not less than $65,000,000 to $70,000,000. The United States expenditure is $2.75 per head. This for Canada would mean $20,000,000 a year.

The amendment moved by the right hon. the leader of the Opposition provides that all the ships to compose the two naval units are to be built in Canada as far as possible. I am in favour of our building all the vessels that we can in Canada if it can be done in a reasonable, practical, businesslike manner. We should have established here a big steel ship-building plant. All our ocean-going vessels are now built in Great Britain, and we should insist on our Government building in Canada all the war vessels and Canadian Government vessels possible even at an additional expense. We can build here scout cruisers and all the smaller vessels that go to make up a fleet unit and all the auxiliary vessels—but we cannot build dreadnoughts or battle cruisers, that is, except at an enormous additional cost, such as practical business men would not approve of. Then if, regardless of cost, we build them, could we be sure they would be as good as these built in England? We cannot, in ships that have to bear the brunt of battle, afford to make experiments. A material defect might be the cause of the loss of the ship and crew and in battle might lose us the fight. Let us commence by building the smaller vessels which we can do. My hon. friend from the city of St. John (Mr. Pugsley) is a strong advocate of these battle cruisers being built in Canada, and uses with great force the argument: Why should we send $35,000,000 to England to build ships which can at say an additional expense of twenty per cent be built here? My answer is: In order that Canada should be properly represented in the fighting line we should have constructed by the best builders and the best experts the finest class of fighting ship afloat. A first-class battleship is too commonly regarded as a hull round the sides of which are placed

a series of armour plates, while inside are installed some marine engines and boilers, and then a number of guns placed on deck. It is supposed that she is then ready to take her place in the fleet. Years ago when the construction of a warship was much less complicated than it is to-day, Ruskin declared that a man put into it 'as much of human patience, common sense, forethought, experimental philosophy, self-control, 'habits of order and obedience, thorough-wrought handiwork, devices of brute elements, careless courage, careful patriotism and calm acceptance of the judgment of God as could be well put into a space three hundred feet long by eighty broad.' Later developments have tended to render the work of constructing a man-of-war far more complicated and delicate than it was in the past. The mere space of a dreadnought measures 545 feet in length and eighty-eight feet in breadth, while the length of the Lion type of battle cruisers is 660 feet in length and eighty-eight feet in breadth. A modern ship like a dreadnought has not simply one set of engines for the propulsion, but in addition there are about one hundred auxiliary engines each of which fulfils some definite purpose. It is no slight task to fashion all these various engines and fit them within a single hull, while at the same time making adequate provision for the guns and their costly, heavy, and elaborate fittings; and the torpedo equipment, which in itself constitutes a specialized science to which men devote their waking hours in the race for perfection. It would be a rash thing to attempt the experiment of building a dreadnought even if we could do it without extra cost. We could not afford to take the risk.

Now, let us look at the argument as to sending $35,000,000 out of Canada. This is put forward as if the whole of that amount would really be spent here if we built the battle cruiser. I have here the figures as to the cost of the Lion and Princess Royal class.

Hull, fittings and equipment.....£	987,345
Propelling and other machinery....	499,303
Gun mountings, torpedo tubes, etc..	334,222
Guns.....	118,300
Establishment charges..... ..	118,538
	£2,057,708

Now, let us take the second item: Propelling and other machinery, £499,303. All of this item would be spent in England.

Then take the third item: Gun mountings, torpedo tubes, &c., £334,222. All this would also be spent in England.

Then take the fourth item: Guns, £118,300. This also goes to England.

Establishment charges, £118,538. This also goes to England.

Now, as to the first item: Hull fittings and equipment, £987,345. The armour plate must be brought from England, in fact the greater part of the material making up this item would have also to be brought from England. The steel plates might be rolled at Sydney if a plant were specially put up for that purpose. The manufacture of nickel armour plate has been brought almost to perfection in England with respect to its resisting power, but that has only been accomplished within the last three or four years. Every bit of this material has to be made in England and it has to be made according to, I think, a patented process. We would also have to bring the special expert workmen employed on the big warships out here to put the parts together. As there is a great demand for expert labour in all of the British shipyards it might be very difficult to get a sufficient number of men possessing the experience required for this purpose. It is very doubtful whether we could get these men even by paying them a big bonus. Altogether we would not have actually forty per cent of this item spent here as the result of our building a battle cruiser. Now, add the twenty per cent additional cost, namely, $7,000,000 of building in Canada, and we have, with an expenditure of $42,000,000, about $6,000,000 only spent here; or to put it in another way, we spend $7,000,000 to get $6,000,000 spent here. When we also consider the extra cost of the plant $1,500,000 and the extra time, two or three years, and that the result might be doubtful as to our turning out a ship fit to be placed in the fighting line, I say that it is not a practical businesslike proposition.

Mr. BORDEN: I would like to ask my hon. friend where he gets the information that these vessels can be built in Canada for twenty per cent more than they can be built for in Great Britain.

Mr. McLEAN: I am only taking the statement of the hon. member for St. John (Mr. Pugsley). We were told that they could be built in St. John at twenty per cent additional.

Mr. BORDEN: I have very authoritative figures from various sources that it would cost at least thirty per cent, probably thirty-five percent and perhaps even forty per cent.

Mr. McLEAN: I am putting the figures low. But it comes down to this, that taking the additional cost at twenty per cent, that there is an additional expenditure of $7,000,000. Forty per cent of the whole amount of money will be spent in Canada, or something less than $6,000,000. Then, there is the extra cost of the plant to build dreadnoughts. My hon. friend from St. John, I think, puts that at a million and a half. I am not quite sure whether he put it at that or not, but that would be at least the amount. I will put the additional cost of the plant necessary to build dreadnoughts at a million only. Now we have $8,000,000 as the additional cost. Is it a practical, businesslike undertaking

to expend $8,000,000 to have $6,000,000 spent in Canada? I do not want as a Canadian to see this Parliament, or the Liberal party, advocating the building of dreadnoughts here costing, on the basis of the figures that I have mentioned, an enormous additional amount with the doubtful value which may result because, as I have said before, it is very doubtful indeed, that if we did build such a ship, they would allow her in the fighting line. It might be right for us to make this start if Canada were going into that business. If Canada proposed to be independent and required a large navy like the United States or other great nations, or even like Italy and Austria, it might pay us to go into this business of building dreadnoughts, but when we only propose to build three it does not strike me as a practical, reasonable business proposition. The establishment of a ship-building plant sufficient to build cruisers, destroyers and the auxiliary ships required by the Canadian naval service would be sufficient to build any mercantile vessel, and that is the end that we want to arrive at. Other nations recognize the great advantage of having modern war-ships built in England. There are now under construction in England battleships for Brazil and Chili. Japan has also ordered and is now having built in England a battle cruiser of the most modern type. Japan is building ships of war but when Japan wants the very latest models and the very best ships she goes to England for them.

Mr. BORDEN: Does the hon. gentleman know how long it is since Japan first undertook the project of building her own battleships?

Mr. McLEAN: Yes, it is twenty-two years, and let it be remembered that Japan's start as a naval power was due to the genius of an Englishman, the late Sir Edward Reid, K.C.B. It has been recognized that in order to get the most advanced class they must go to England for it. There are also being built three small armoured ships for Brazil, scout cruisers for China and a number of torpedo craft for different countries. British firms are providing for the re-construction of the Russian fleet, in the Black Sea and the Baltic; and the Spanish fleet at Carthagena and Fervol. There is not a navy in the world to which the British ship-builders have not contributed units of one class or another. There has been no naval engagement in the past fifty years in which, on one side or the other, British built war-ships have not been engaged. They fought in the China seas during the struggles between Japan and China; in the Pacific during the contest between United States and Spain; they were used by Japan with such surprising results during the war with Russia. I have mentioned the fact that Japan has given an order for one modern battle cruiser in England. After the war with China, Japan gave orders for a series of six powerful battleships and four swift armoured cruisers in England. She has established her own ship-building yards for building her own small cruisers, but when she wants an up-to-date, modern, first-class battleship she sends to England for it; perhaps as a sample from which she may build others.

When I spoke in this House in 1910, I spoke strongly as regards the danger from Germany, and the more I look into it the more convinced I am that that danger is acute.

A number of my hon. friends say: there is no emergency existing; England is perfectly able to hold her own against Germany and the other nations, and can build ships fast enough to keep her clear of the danger point. I do not think the word 'emergency' is the one to use: the question is: what is our duty? Is it simply to build a small Canadian navy for our own protection, or is it to join with Great Britain in providing for our local defence, and to be represented in the fighting line with three Canadian war vessels: 'the largest and strongest ships of war which science can build or money provide?' I am in favour of joining with Great Britain for local and Imperial defence. I feel convinced of the fact that when Germany feels that she is strong enough to quarrel with England, there will be one of the greatest naval battles that the world has ever seen. There is no use of us singing the swan song and saying, 'there is no danger.' I hope, Sir, that England in this ship-building war will be able to build the highest class of vessels faster than Germany can, and in numbers to insure safety. We know from the German naval policy what she is going to do, and exactly what she will have ready in 1917 and 1920. She has demonstrated her ability not only to carry out her naval programme, but to do it before the time specified. We cannot rely on the good nature of the Germans. Germany is a business nation. Germany is a warlike nation. Germany will be prepared to take any advantage she can if England gets into trouble. Nothing could avail with Germany if she thought she could succeed in a war with England. The Emperor of Germany is acting now on the maxims laid down by Frederick the Great for the future guidance of the Emperors of Prussia:

> Constant attention must be paid to hiding as far as possible one's plans and ambitions. Secrecy is an indispensable virtue in politics as well as in the art of war.
>
> If possible the powers of Europe should be made envious and be set against one another

in order to give occasion for a coup when opportunity offers.

It is one of the first political principles to endeavour to become an ally of that one of one's neighbours who may become most dangerous to one's state. For that reason we have our back free as long as it lasts.

Reference has been made by some hon. gentleman to the fact that Germany strikes with secrecy. She strikes when her victim is believed not to be ready, as witness Silesia, Denmark, Austria, France. The pretext may be a forged telegram as in 1870, In the latter part of June, 1870, the Premier of France assured the nation that never had peace been so solidly assured as at that time, but in one fortnight war was declared. The ambitions of the Kaiser are boundless. He seeks to dominate the continent as a first step to dominating the world. When hon. gentlemen speak of the peaceful intentions of Germany let them remember what has taken place within the last four years. Thrice in four years has Germany threatened war, and in two of these instances she has achieved her aim. In 1905 she told France that the affairs of Morocco—a country in which she had only the vaguest interest—must be submitted to an international conference. Declasse, the Foreign Minister, refused; finally he was forced to resign and France gave way. Later in the same year Great Britain's support enabled France to withstand Germany's threat in the Casablanca incident in Morocco. The latest instance of German aggression was the seizure of the two Turkish provinces of Bosnia and Herzogovina by Austria, without the consent of the signatory powers. Austria is in the Triple Alliance and Italy is called the cork leg of the alliance. Austria will have to participate in case of war with Germany, and she is given this additional territory as the price of her alliance. Twice in 1911, Germany and England were on the verge of war the British flagship turned its searchlights on German cruisers on the coast of Britain. British destroyer flotillas swept the North sea keeping watch In August, 1911, English battleships had their torpedo nets out and torpedo boats patrolled the fleet. In September all leave was stopped. We know also that when the Navy Bill was being discussed and the British Government tried to come to an accommodation with Germany, the Kaiser and his ministers would not negotiate. By way of reply to Great Britain's overtures looking to a scaling down of armaments, Germany enlarged her naval and military appropriations. These appropriations still increase. What has happened in the year just closed? Six or seven of the nations of Europe have been involved in a most bloody war, which is not yet finished by any means. The little country of Bulgaria, with not half the resources of Canada—not one quarter—and with a population much less than ours, placed within a month 400,000 men in the field; and in this war they have lost nearly as many men as Great Britain lost in the South African war. much time must elapse before we shall know the inside history of the still unarranged dispute with France about Morocco in 1911, but there is reason to believe that the consciousness of the British navy at the back of France has been one of the large factors in the negotiations. At least it is apparent that the bitterness against Great Britain has been even more marked than against France.

I was struck with the warlike speech of my hon. friend from Edmonton (Mr. Oliver). He strikes right from the shoulder, and his speech has the fighting ring. He is the fighting man on our side of the House, and I think from what he said, the ring he put into it, that he must be in favour of dreadnoughts being given to England, or built by Canada and loaned to England, and that he must in his heart be in favour of Canada being represented in the fighting line with three of the best ships in the world. How can you get stronger statements than he makes? Let me quote a short extract:

To-day we are face to face with new conditions regarding military and naval matters such as the world has never seen before. So long as Britain held the seas, so long Britain and her dominions were safe, although the European countries might number their soldiers by millions, as they do. But that madness, if you like, which has caused the European nations to enrol their whole population as soldiers, having achieved its climax, when France, Germany, Austria, Italy, Belgium, Holland, Denmark, Russia, are absolutely nations in arms, we find that instead of the idea of military dominion stopping with that, having established the nation in arms on land, forthwith they attempt to procure control of the sea, and each of these nations to-day is building a fleet to do at sea what it has already done by land. For many years the British Islands were protected by the narrow seas and the British dominions were protected by the width of the ocean, but to-day we must recognize the fact that it is merely a matter of time when the millions of men who are or who can be placed under arms in Europe at practically a moment's notice, can be transported over sea as certainly and as quickly as may be necessary to carry out the will of the nation to which they belong.

Let me suggest to this House that a fleet that can sail across the North sea can sail across the Atlantic ocean, can sail around the world, that is to the Pacific, and that Canada has no guarantee from immunity from the presence of such fleets, or individual members of such fleets, and that our fair provinces by the sea stand in just as much danger as the British Islands themselves in

case of any outbreak of war in which the British Empire is involved.

Now, what do the hon. members, who cry out that there is no danger, that Germany is our friend, and that Canada is safe, say in answer to what I have read? It will be impossible for any person to put it in stronger or more forcible language than my hon. friend from Edmonton has done in that statement in the debate on this question. We are in just as much danger as the British are. A fleet that can sail across the North sea can sail here. Where is the critical point? The critical point must be in the fighting line. Where is the danger zone? The danger zone must be in the North sea. If Britain is defeated in the North sea why then of course we are absolutely at the mercy of Germany and must either submit to Germany or we can seek protection in the United States and become annexed to them. Let me come to the point about our duty. In view not of an emergency but of the risk that Britain runs at the present time, will Canada be satisfied with a small local navy, or will the men of Canada not rather say: we must be represented in the fighting line, we must be there when the battle rages.

I want also to bring to the attention of my Liberal friends the opinion of the great Liberal newspaper, the Globe; a strong, independent, loyal expression. The Globe of March 24, 1912, says:

> There is not another nation in Europe which would impotently stand by and see an instrument forged for its destruction. They would seize the reptile while it was still weak and strangle it.
>
> But that is not the British way. They have instead endeavoured to keep pace with German activity in augmenting naval power. The contest has become a desperate one. It is a contest between a nation of 65,000,000, and constantly growing, with a nation of 42,000,000, from which its sons swarm across the seas year in and year out. War is deprecated, but, as a matter of fact, war is in progress. The contest in ship-building is war. If the Mother Country were engaged in a deadly conflict, Canadians could not get across the ocean fast enough to the side of the Motherland. The Canadian exchequer would be open to the last dollar in such a cause. But we must recognize that our aid is as much needed now as if a physical war, instead of a war of ship-building, were on. Germany appreciates that if ever she is to challenge British supremacy and break up the British Empire, now is the time. Every year is adding to the might of the British possessions, and ten years hence would be too late. The colonies can show by prompt and decisive action that it is already too late. They have it in their power to proclaim to all the world that the Empire is one and indissoluble. It will be a stroke for peace, for the moment that Germany perceives that the strength of the resources of every colony have been cast into the scale, from that moment she will see that she has lost the game.

Mr. McLEAN (Sunbury and Queens).

As to the kind of war vessel we should build, the Globe on March 26, 1912, says:

> The sort of vessel that is built should be fixed by the circumstances. The competition now raging between Great Britain and Germany is in the direction of first-class battleships. If Canada were to build a little fleet of wasps and hornets, it would have no moral effect on the situation at all. What we would like Canada to do, would be to manifest by a veritable act that in this competition she ranges herself proudly and gladly by the side of the Mother Country.

As to the possibility of the British navy being defeated, the Globe on March 31, 1909, stated:

> While the British fleet is master of the channel, no European fleet could be a serious menace to the shores of Canada. . . . In the days of trial the all-important aim would be to make the Imperial fleet so strong that the issue of a combat would not be doubtful.

Ship-building is being carried on in the navy yards of Great Britain and Germany with feverish haste, and why? Is it for peace or war, or simply for naval reviews? In 1890 the German fleet was the smallest in European waters. In contrast with this we have the German fleet of to-day, which is second only to that of England. Having this pre-eminence among the nations as a naval power, she already possesses the largest army in the world. By her new 1912 Naval Law Amendment Act, Germany is directly and deliberately challenging England as regards naval supremacy. England's sea power is a necessity. To the Germans, supreme as a military nation, it is a luxury. It is a means to an end; and that end is, I believe, the destruction of the British Empire, the disruption of the French Republic and the domination of the world. Germany, when she set out to establish a navy, set apart one thousand million dollars; by her amendments to the Navy Act she has set aside $500,000,000 more. She is pressing forward in this race, confident that she is now entering upon the last lap. She is mortgaging so much in the contest that she must either achieve victory abroad, or meet the storm of strife which her policy has and is still creating at home. She is setting up within four hundred miles of England a fleet placed on a war footing; a more effective fleet than Great Britain has maintained in the past as regards immediate, readiness for war, and she has this powerful engine of war within a day's steaming of the mouth of the Thames and here in Canada we are looking on calmly as though the millenium had dawned; as though Krupp's works, with its thousands of workmen were busy making plough shares and bathing machines; as though the great ship-building yards of Germany were engaged in building racing yachts,

and as though the officers and men in the ships of war in the North sea were peaceful fishermen, plying their trade in patient, honest and harmless industry. The provisions of her Naval Bill of 1912, which are of real importance, are those which aim at a higher standard of fleet efficiency in the North sea than any power in its wildest dreams has ever attempted to achieve. Her ships are now to be fully manned by men trained in the highest pitch of efficiency. By the Act of 1912 she is to have one fleet flagship; five squadrons each of eight battleships, the largest under construction displacing 24,100 tons; twelve large cruisers, the largest being 22,600 tons and mounting ten 12-inch guns; and thirty small cruisers. This is equal to fifty-eight ships of the Lion type. This number is to be increased to sixty-one. The oldest ships of war value, nine in number, are to be retained in the reserve. She is also to have in commission eight large battle cruisers and ten smaller cruisers. These are to be for foreign service. Of the eight large cruisers for foreign service, four will constitute a flying squadron for use at home or abroad; two others will remain in the North sea in reserve; two as small foreign cruisers will also be at home. Then, she is to have a hundred and forty-four destroyers and seventy-two submarines, and a total personnel of over one hundred thousand men. In addition to these, she is to have two divisions of coast-defence ships. This is the meaning of the new German Navy Act of 1912; ability to strike the first blow. Let it be remembered always that this Act is a supplement of the Act of 1900, in the preamble of which it was stated:

It is not absolutely necessary that the German fleet should be as strong as that of the greater sea powers, as generally a great sea power will not be in a position to concentrate all its forces against us.

Naval warfare has now reached something of the precision of a game of chess, and an action, or indeed the whole campaign, may be won or lost on the first move. Everything now depends on readiness and promptness. The main increase in German activity under the Act of 1912 is to be in submarines. These craft cost about £80,000 each. Germany intends to create flotillas in the North sea and the Baltic, which for all strategical purposes will, in the course of a year or two, number upwards of seventy. This means that England will have to commence building a far greater number of these under-water vessels, while continuing to lay down each year not less than twenty torpedo boat destroyers, a batch of cruisers to act as scouts for the battle fleet and commerce protectors, and a large number of auxiliary ships. To quote Mr. Winston Churchill's words:

Four-fifths of the entire German navy will be maintained in full permanent commission; that is to say, instantly and constantly ready for war.

He added that such a preparation was remarkable and found no example in the previous practice of any modern naval power. Mr. Hector C. Bywater, of Berlin, states:

Neither the British Government or nation, or the German nation is responsible for the unsatisfactory relations existing between Great Britain and Germany. The responsibility and the strained relations are solely due to the German Government which has deliberately created the present position. The German Government has embittered Anglo-German relations and brought the two nations to the brink of war by trying to destroy Great Britain's naval supremacy, and by engaging upon a campaign of vilification which is probably unparalleled.

Here are a few extracts from speeches made by some of the leading statesmen in England. The First Lord of the Admiralty on March 18, 1912, said in justification of British supremacy:

We should have ample margin (because) the consequences of defeat at sea are so much greater to us than they would be to Germany or France.

There is no parity of risk. Our position is highly artificial. We are fed from the sea. We are an unarmed people. We possess a very small army. We are the only power in Europe which does not possess a large army.

We cannot menace the independence or the vital interests of any great continental state; we cannot invade any continental state. We do not wish to do so, but even if we had the wish we have not got the power.

People talk about the proportion which the navies of the different countries should bear to the commercial interests of the different nations—the proportion of France, the proportion of Italy, the proportion of Germany; but when we consider our naval strength we are not thinking of our commerce, but of our freedom. We are not thinking of our trade, but of our lives.

These are facts which justify British naval supremacy in the face of the world.

We must not conduct our affairs so that the navy of any single power would be able to engage us at any single moment, even our least favourable moment, with any reasonable prospects of success.

On November 9, 1908, Mr. Asquith said:

Every foreign power knows that if we have established, as we have, and if we mean to maintain, as we do, an indisputable superiority on the sea, it is not for the purpose of aggression or adventure, but it is that we may fulfil the elementary duty which we owe to the Empire, to uphold beyond reach, yes, and beyond risk of successful attack from outside, our commerce, our industry, our homes.

Then in June, 1912, Mr. Balfour said:

There are two ways in which a hostile country can be crushed. It can be conquered or it can be starved. If Germany were masters in our home waters, she could apply

both methods to Britain. Were Britain ten times master of the North sea, she could apply neither method to Germany. Without a superior fleet Great Britain would no longer count as a power. Without any fleet at all, Germany would remain the greatest power in Europe.

Germany cannot be assailed by sea. She is protected by enormous batteries, by a long line of islands and a small coast line. She has made three great naval stations, Emdem, Williamshaven and Coxhaven, the strongest points in the world, except Gibraltar. Her great warships which formerly could not enter the North Sea by the canals, have now perfect freedom of movement. The Kiel canal has been deepened so as to bring the war vessels from the Baltic to the North sea by the shortest possible route. Take a map of the world and look at the geographical situation of the British Empire. The focus is the Mother Country with a population of about 45,000,000. She is confronted on one side by Germany, a nation of 60,000,000 possessing the largest army and the second largest navy in the world. The whole white population of the British Empire, including the colonies, only about equals that of Germany. Next comes the ring of European states, all naval powers, with a population of about 120,000,000; then comes what might be called the coloured empires, India, China, Egypt, West and East Africa, the West and East India islands; then the white dominions within the outer circle, the United States and Japan. If the German menace were the only thing Great Britain had to deal with, were she not responsible for the peace and security of the dominions over the seas, and her colonies, her problem would be simple enough. Remembering the feeling which arose against us in Germany at the time of the South African war, does anyone imagine that if the German navy had been as strong then as it is to-day we could have got off without a struggle? It is against a repetition of that danger that Great Britain and the whole Empire must guard.

The question for Canada to decide is not the definition of the word 'emergency'; but what is our duty? Is it not clear that our duty is to give every assistance within our power to Great Britain at the present time? Not only, as it is put in the Admiralty memorandum, 'for the material benefit,' but for the moral effect it will have on Germany and the other nations of the world. It would seem to me that the moral effect would be very much greater if the world knew at once that Canada was united in building and giving to England three of the best fighting ships that science can devise and money can build. This surely would be better than a small baby navy, with dreadnoughts to be built in Canada, and to be stationed on the Pacific and Atlantic coasts. We should let the world know that we are prepared to help to support British sea power; that we will stand by England as she has stood by us. When Great Britain goes to war, Canada goes to war as well. The destiny of Canada is involved in the result of the war. If British power is broken Canada is left defenceless. We should be eight millions of people in possession of the richest half-continent in the world, and with no fleet.

If Germany were mistress of the sea, where could she find a better colony than Canada? What would keep the Japanese from landing on the Pacific coast, or how long would it be before the billions of regenerated China would flow into our tempting prairies? It is said that we could rely on the Monroe doctrine, and that the United States would protect us. What would be the price that we would pay? Annexation, of course. The question for us, then would be whether we would be Germans or Yankees. Of course, we are not frightened to-day; no one is frightened at the present time. Why not? Because of the great white squadron—and we pay not one cent towards its support and contribute in no way to its strength. Is Canada to retain her do-nothing policy, and be prepared to do something twenty or thirty years hence, or shall we join in the shipbuilding fight, and be in it, so to speak, from the drop of the hat, joining at once in the present building programme of the Empire, and getting our Canadian dreadnoughts ready for action?

Again, I would call attention to the clause in the Admiralty memorandum which speaks of the great moral effect the news of Canada's definite action would have on the world. If Germany hears that Canada is in the fight to stay, and she is building in England three of the finest warships in the world, which will be in the fighting line in the North Sea, it may have a tremendous effect on her future action. Her debt is heavy she is now building with borrowed money; her banks are fearful of the effect of war. Might not the appearance of Canada on the field of battle cause the Germans to decide to confine their ambitions to such parts of Europe as could be reached by her matchless army? The world is at the present time a fierce and dangerous place for those who are not prepared to defend themselves. Canada can not and would not be able to defend herself, by the building of any navy, without England's assistance; she would be at the mercy of Germany, Japan and the United States. It is useless for us to build a navy too small for the work it is intended to accomplish. Germany has the support of the Triple Alliance, and Great Britain must not only have a margin of safety over Germany, but she must have such a decisive command of the sea,

that no probable coalition could be brought against her. Great Britain should not be obliged to bear this burden alone; the dominions over the seas and her colonies should assist her. Canada will become the greatest English speaking nation in the world, with the possible exception of the United States. We have room for so many millions of people that we hesitate to fix a limit. England and Scotland could be drowned in one of our great lakes. Allied with Great Britain, we will be the most potent power in the world. Australia must ever be on the fringe of a nation; South Africa is burdened with a black problem and lacks our climate and land. The struggle that is now in progress is largely a matter of money. If Germany could get enough money to out build Great Britain, the contest would be over; but when she finds that she cannot do this, she will probably turn her vast powers in other directions. We have been singing 'God Save the King' for a number of years; now let us show to the Mother Country that our loyalty is not merely 'hot air' but that there is some substance to it. The building of these three dreadnoughts would be an intimation to Germany that she would have to build battleships, not only as against Great Britain but also against the dominions over the seas. German statesmen would probably say: 'We might build against forty-five millions in the British islands, but can we build against the dominions over the seas, and the twenty, thirty or fifty millions of people that in a few years will inhabit those lands?'

When Britain went to war with the Kruger regime, no one knew what Germany's position would be. The Kaiser's telegram to President Kruger was then recent history. The dominions stepped in and made it clear to the world that the entire British Empire was united and were willing, even anxious, to shoulder their share of the responsibility. What effect this had, it is impossible to tell, but the fact is that the nations of Europe did not stir a finger. Several months ago, I read that the Rev. Dr. Milligan, a prominent Presbyterian minister of Toronto, had returned from his annual visit to Scotland. He said to a reporter that the Scottish people seemed to feel that we did a lot of talking out here, but not much else. The sentiment of being united with Great Britain in the maintenannce of her sea power should be a glorious inspiration for us.

Effingham, Grenville, Raleigh, Drake,
  Here's to the bold and the free!
Benbow, Collingwood, Byron, Blake,
  Hail to the King of the sea!

Admirals all, for England's sake;
  Honour be yours and fame,
And honour, as long as waves shall break,
  To Nelson's peerless name!

The collapse of British sea power would put a final period to the history of the Empire. History has written and rewritten this truth. In the struggle between Anthony and Cleopatra on the one side and young Augustus on the other, for the supremacy of the eastern world, the decisive battle was that of Actium, a sea fight: the crippling of Spain commenced when she lost command of the sea to the Red Rovers of England; the fall of Napoleon began with the battle of Trafalgar; Britain secured her Indian Empire by establishing her supremacy in the Indian ocean. Captain Mahon, in his great classic, 'Sea Power in History,' drives home by hundreds of examples the fact that the power which holds the seas holds the land. Why should Holland have its colonies when Switzerland has none? Why should feeble Portugal have a fine colonial empire while Germany is trying to content herself with odd bits of tropical Africa? The answer is that the Portuguese were always a nation of navigators. Spain only recently lost Cuba, Porto Rico and the Phillipines to a new sea power which smashed her antiquated ships at Manila. If Great Britain had not had a supreme navy, she would have lost the South African war. We hold Egypt with our fleet. If we could not send reinforcements to India, how long could we remain in possession of that country? If we were independent of Great Britain, how long could we exist as a separate nation? The Americans could take us whenever they liked; they fought to prevent southern confederacy, why should they not fight to prevent the growth of a great northern confederacy? The truth stands, that while a German victory in the North sea would leave the Union Jack flying over London, it would lower that flag over Canada.

It is argued that we must have Canadian cruisers to watch the lines of communication. The latest naval return shows that Britain possesses one hundred and ten cruisers to Germany's forty-five. Britain has also a lot of pre-dreadnought battleships which could protect the trade in the North Atlantic while her dreadnoughts were meeting the shock of war in the North sea. It is not in cruisers and pre-dreadnoughts that the Germans are catching up. Britain has fifty-one pre-dreadnoughts while Germany has only twenty-nine, and of a very much less tonnage.

The erection of the Palace of Peace by Carnegie was followed by the Japanese and Russian war, and from that time the world has been the scene of incessant strife; the strong have taken wherever they could, without reference to equality. Corea was wrestled for by two giants like dogs tearing at a bone. Who cared for the rights of the Coreans? Britain and France between them quietly disposed of the rights of the Moors.

the Emperor hurried to Tangiers and pronounced his veto and the result was a draw, but who cared for the rights of the Moors? Turkey showed signs of recovery, and immediately Austria grabbed Bosnia and Herzegovina. France determined to go to Fez; Germany sent a gunboat to Agdar; Lloyd George snarled; and what happened? The Germans counted their battleships and decided to wait, but we were very near war. If Germany had been ready, war would now have been declared. Italy gives Turkey twenty-four hours to hand over Tripoli; Russia is advancing her troops on several pretexts into Persia; we are told a British expedition will leave India for Southern Persia. China is in confusion; Russia is making sure of outer Mongolia, and now we come to the quarrel over the spoils in Turkey. People who talk of an era of peace should know that there has not been so much war in the world since Waterloo. But it is said, how do these things affect Canada? They do not affect us, because we are behind a breakwater. We have been left untouched, because, and only because, the British battleships ride between us and every power which might covet our broad prairies and untold natural wealth.

We propose also to train our men for service in the navy. The best training—the best naval school—is in the British navy; by common consent it is agreed that the British navy is the best managed navy in existence.

Germany is playing for greater stakes than any nation since the France of Napoleon.

Germany is playing with borrowed money.

Germany is taxing her people into the arms of social democracy to keep up the interest on that borrowed money.

Germany thinks this is the last lap of the race.

Germany will soon have the greatest fighting navy in history—greater than Britain has now or ever has had—within about a day's steaming of the mouth of the Thames.

Could any series of statements be more startling? Yet is there one of them which can be challenged? England is expending this year $240,000,000 on the navy, and will build four or five battleships, eight light armoured cruisers, twenty destroyers, eight submarines, and the sundry auxiliaries required for the fleet. England has increased her expenditure in the last twelve years to the extent of over $100,000,000 on the navy, and so far we have given her no help.

Statements have been made in the speeches of hon. gentlemen as to what Great Britain has done for Canada. I make out the list as follows:

1. British troops and fortifications were maintained here at an expenditure of $300,000,000 during the nineteenth century.

2. At the Trent Affair, ten thousand British soldiers came out to Canada.

3. When Canada needed roads, canals, and bridges in the early days, British money supplied them.

4. For half a century the Indians required yearly gifts of money, which was provided by Great Britain.

5. Our churches wanted vast sums for relief work, and British societies contributed hundreds of thousands of dollars during the nineteenth century.

6. If railways, such as the Intercolonial and the Grand Trunk had to be constructed, Britain sent us the necessary money.

In recent years countless enterprises have been financed in London, until the present total is over one billion, five hundred millions. When we wanted the money to construct the Canadian Pacific Railway, the Grand Trunk, the Transcontinental or the Canadian Northern railways, we went to England. Do you think that this money could have been obtained by a small nation not under the British flag, and not having British power and stability to guarantee its position?

Since Confederation our trade upon the seas has totalled $6,300,000,000 and over, and it is all due to the protection of the Imperial navy. The British Government subsidized dry-docks at Esquimalt and Halifax, at a cost of over $400,000; she has borne the cost of hydrographic surveys in Canadian waters, and the protection of Canadian vessels and Canadian citizens in foreign countries; and to all this, Canada has not contributed one cent. Under the protection of Great Britain, Canada has attained the status and dignity of a nation. Our connection with the Motherland involves no economic features; we have full power of management with respect to Canadian affairs; we make our own laws; we control our trade and tariffs; and no treaties are made which may indirectly affect our interests without our consent. Canada manages her own military affairs; she faces the world in every essential as a free imperial power. The sea-borne commerce of Canada has now assumed very considerable proportions, both eastward and westward, on the Atlantic and the Pacific. Canada stands today as the eighth largest ship-owning country in the world; sixty per cent of our trade is ocean-borne, and all protected by the Imperial navy.

Now, let us look at what the other colonies and Australia have done for England:

New Zealand:	
Contribution of $200,000 a year from 1902 to 1907....	$1,000,000
Contribution of $1,000,000 a year from 1907 to 1912....	5,000,000

New Zealand has also presented the Royal Navy with a battle cruiser and three destroyers (estimated)..	$13,000,000
Total for New Zealand	$19,000,000
Australia:	
Contribution of $1,000,000 a year from 1902 to 1912....	$10,000,000
Australia is building a fleet unit in accordance with the 'second best' suggestion of the Admiralty in 1909 (estimated)..	20,000,000
Total for Australia ..	$30,000,000
South Africa:	
Contribution of $425,000 a year from 1902 to 1912.. ..	$4,250,000
Newfoundland:	
Contribution of $16,000 to $24,000 a year from 1902 to 1912 (say)..	$200,000
India:	
Maintenance of warships in Indian waters (500,000 a year) for ten years...	$5,000,000
Other naval services (standing last year at $330,000) for ten years..	$3,300,000
Total for India..	$8,300,000
Canada	nil.

That is the record up to date. How do you like it?

I shall now refer to the memorandum prepared by the Board of Admiralty on the naval situation and sent to Canada in November last. If I had any doubts as to the course I should take on this great question, they were settled when I read this statesmanlike document. Let me cite several paragraphs:

> The Admiralty set the greatest store by the important material and still more important moral assistance which it is within the power of Canada to give to maintaining British naval supremacy upon the high seas.

Now, the question naturally arises, what material assistance can we give? The question is set out in paragraphs 8, 9 and 10 of the Admiralty memorandum:

> Any action on the part of Canada to increase the power and mobility of the Imperial navy, and thus widen the margin of our common safety, would be recognized everywhere as a most significant witness of the united strength of the Empire, and to the renewed resolve of the overseas dominions to take their part in maintaining its integrity.
>
> Anything which increases our margin in the newest ships, diminishes the strain and augments our security and our chances of being left unmolested.
>
> The Prime Minister of the Dominion having inquired in what form any immediate aid that Canada might give would be most effective, we have no hesitation in answering after a prolonged consideration of all the circumstances that it is desirable that such aid should include the provision of a certain number of the largest and strongest ships of war which science can build or money supply.

This is the last word from the Admiralty. It shows what they want Canada to do now, and cancels all previous statements or advice. They do not ask us to provide two fleet units; but to build 'a certain number of the largest and strongest ships of war which science can build or money supply.' Naval strategy has changed within the last few years. It is now a policy of concentration and not the maintenance of a number of separate fleet units. For example, do you think they would now advise us to provide a fleet unit in the Atlantic and one in the Pacific? Let me call the attention of the House to a letter written to the Times by Mr. Macauley, who is an authority on naval matters. He puts very plausibly the reasons why a fleet unit on the Pacific would not be advisable. He says:

> A cruising range of fourteen thousand miles would evidently entail an enormous expense, and 'very intermittent training,' especially as regards the terminal units. The method you advocate would again be better applied if the Canadian naval force were in the Atlantic, not on the Pacific.

He says also:

> The nearest British port of any naval value to the west coast of Canada is five thousand, six thousand miles away. This distance is only traversible by the largest war vessels (cruiser or battleship) at low speed. . . . . The connection of the Canadian fleet with the rest of our naval forces would be entirely dependent in war on the good will of the only powers that, for very many years at least, can possibly threaten her Pacific coast. In a war with the United States, a Canadian fleet, placed as you suggest, would be at once isolated. In a war with an East Asian power, the naval defence of the west coast of North America can be best carried out by a fleet operating from Singapore and Hong Kong.

After describing the efforts made by England to get Germany to agree to stop naval rivalry, the Admiralty memo. deals with the the German Navy Law of 1912, the main feature of which, they say, is the increase of the striking force of the German warships which will now be maintained in full commission and immediately available at all seasons of the year. Let me quote from paragraph 4 of the memo:

> Taking a general view, the effect of the law (1912) will be that nearly four-fifths of the entire German navy will be maintained in full permanent commission, that is to say, instantly and constantly ready for war.

The Admiralty memo also refers to the important increase in the personnel—that in 1898 officers and men amounted to 25,000. The new law of 1912 increases it so that in 1920 they will have 101,500. The present strength is 66,000.

The Admiralty also calls attention to the important fact that the great German fleet is not dispersed all over the world for duties of commerce protection or in discharge of colonial responsibilities, but that it is concentrated and kept concentrated in close proximity to the British coast. The Admiralty then refers to the German Naval Law of 1900 and cites the preamble:

> Germany must possess a battle fleet of such a strength that even for the most powerful naval adversary (this means Great Britain) war would involve such risk as to make that power's own supremacy doubtful.
>
> For this purpose it is not absolutely necessary that the German fleet should be as strong as that of the greatest naval power, for, as a rule, a great naval power will not be in a position to concentrate all its forces against us.

The Admiralty memo sets out the present relative strength of the German and British navies and the estimated strength in 1915 and 1920. I have already given these figures and I propose putting on 'Hansard' a tabulated statement. But I want leave to draw attention to the significant remarks the Admiralty made as to the increase in strength of the navies of Austria and Italy. They point out that they will possess in 1915 a formidable fleet of four and six dreadnoughts respectively, ten in all, together with the strong battleships of the pre-dreadnought type and other units such as cruisers, torpedo craft, &c.

It is evident that Great Britain must be prepared to meet the united fleets of the triple alliance. As to the protection of the dominions, let me quote another paragraph from the Admiralty memo:

> It is the general naval supremacy of Great Britain which is the primary safeguard of the security and interests of the great dominions of the Crown, and which for all these years has been the deterrent upon any possible designs prejudicial to or inconsiderate of their policy and safety. . . Larger margins of superiority at home would, among other things, restore greater freedom to the movements of the British squadron in every sea, and directly promote the security of the dominions.

In conclusion, I want to quote to the House from a speech by Lord Roberts, the great war lord of England, the successful leader, one of the most successful generals that the world has ever seen during the last forty years, a man who practically never lost a battle, a man who has not only had great experience but who has the brain power to deal with such questions as these. The result of his study and experience was put forward in a memorable speech that he delivered at Manchester to which I want to call the attention of the House. The speech from which I shall quote an extract certainly made a tremendous impression upon me. He said:

> Germany has within the past ten years sprung up at a bound from one of the weakest naval powers to the greatest naval power save one upon the globe. But yesterday, so to speak, the British fleet did not feel the furrow of the German war keels on the high seas. To-day every British war-ship and every British merchant vessel thrills in all its iron nerves to that mighty presence. I point to the gradual displacement of the British fleet before the German menace. I point to the Mediterranean bereft of British battleships, and the gradual narrowing year by year of Britain's once far-flung battle line. Germany always advances towards complete supremacy on land and sea. . . . How impressive is this magnificent unresting energy! It has the mark of true greatness. It challenges admiration even from those against whom it is directed. . . . There is one way in which Britain can have peace with Germany and every other power, namely, to present such a battle front by sea and land that no power, or probable combination of powers, dare attack her without the certainty of disaster. That is the only reply worthy of our past or wise for our future. But there is a way in which Britain is certain to have war horrors and calamities, namely, by persisting in her present unpreparedness, apathy and unintelligent, blind disregard of warnings of a most ordinary political insight. . . . What is the lesson which history enforces? We must abandon the Empire and with it our commercial wealth or be prepared to defend it. We have a great fleet but that fleet is rapidly becoming unequal to the fleets by which we may be opposed. . . . A paramount navy we must possess whether of two keels to one or three keels to one. That is a self-evident truth. . . . What then is my ultimate counsel to the nation in this solemn hour? Gentlemen, it is a message burnt into my mind. . . . That message is arm, prepare, quit yourselves like men for the time of your ordeal is at hand. . . . Remember war does not begin nor end on the day of battle. There is a kind of war, a war of preparation which goes on silently and unperceived amid apparent peace. . . . If once you permit any one state to be your undisputed superior on sea or land that hour, even if not a shot be fired, you cease to be a free nation. . . . I ask myself, how can I even at this late solemn hour best help England? Again I say, arm, be prepared to quit yourselves as men, for the day of your ordeal is at hand.

This solemn warning of the greatest military authority now alive and one of England's most successful generals should not fall on idle ears. We should follow his advice and arm, be prepared and quit ourselves as men for I believe with Lord Roberts that the day of our ordeal is at hand. We are rapidly approaching the day foreshadowed by Herr Massermann, leader of the Nationalist Liberal Party of Germany

in his historic speech at the Congress of Erfurt in the summer of 1903:

> In our attitude towards England we must keep cool until we have a strong fleet; it would be a mistake to allow ourselves to be driven into hostile policy towards England.

I do hope, Mr. Speaker, that the day will come when the Motherland and the overseas dominions shall be united in one great federation of British nations, for the purpose of consolidating power against foreign countries, and the moral influence on all international questions.

Nations can only enjoy their freedom by being able to defend it. A true policy for us is to be closely united, to be thoroughly organized and equipped and to be able to use our whole strength to the greatest advantage for the common safety of Great Britain. Canadians desire to be free and safe. It must be in an empire to which we are attached by every tie, to which we must render effective service, and to which if necessary we must give our all for the common defence, if we are to expect the forces of that mighty empire to be at our back when our lives as free people are threatened. We should show a square front to any enemy that may attack us. We must be ready to play our part towards the security of our country and if occasion offers be ready to fight. We may have war upon us at any moment. Take the last words of that great statesman, Lord Dufferin:

> Nothing, neither a sense of justice nor the precepts of religion, nor the interests of humanity would prevent any nation from attacking us at the first favourable opportunity.

And Joseph Howe, forty years ago, wrote in his essay on the 'Organization of the Empire':

> Security for peace is only to be sought in such an organization and armament of the whole Empire as will make certainty of defeat a foregone conclusion to any foreign power that may attempt to break it.

Love of country is deeper than a sentiment, deeper even than our instinct. It is the absolute self-renunciation and complete identification with another which Ruth expressed. 'Where thou goest I will go; where thou livest, I will live; where thou diest, there will I die also.' Perhaps I might be able to better express my sentiments by quoting from (our young Canadian Poet) Mr. Robert J. C. Stead's poem 'The Empire Builders':

> It's well to boast of the Empire, and brag of Britain's might,
> It's well to sing of her soldiers or hurry them into the fight,
> It's well to raise your anthem for the King upon his throne,
> While you leave your Mother Country to bear the load alone.
>
> Many the winds that rise and fall to the flag that ye call your own,
> And ye walk secure to the ends of the earth wherever that flag is known;
> Safe as a child in its mother's arms ye come and go at will,
> And ye take it all for granted, and your mother pays the bill.
>
> Never a wave that beats your shores but knows her floating steel,
> Never a sand in your harbour fronts but knows her iron keel,
> Never a child in your inland towns but lisps of her 'hearts of oak,'
> And the breath that you breathe as the air of God is thick with her sulphur smoke.
>
> Dreaming your dreams and visions—making your dreams come true—
> Offering not of your substance, offering words in lieu—
> Large in your little dealings, small in your great affairs,
> Proud of the land that bore you, but blind to the load she bears.

I have prepared certain statistics which, with the permission of the House, I should like to have placed on 'Hansard' without delaying to read them. These figures show the position at the present time of the dreadnoughts in the navies of Great Britain and Germany; the position of the world's dreadnoughts; the situation of naval powers in March, 1913, in ships built, building and projected; the speed of the fastest warships in the world; the tonnage of armoured warships of the five principal naval powers; and the personnel of the principal navies. I would like permission to have them printed in 'Hansard.'

Mr. SPEAKER: It is not usual to print anything in 'Hansard' except what is read in the House, unless it be some special documents which are brought down by ministers of the Crown.

Mr. PUGSLEY: It is customary, with the consent of the House, to allow such matter as my hon. friend from Sunbury and Queens refers to, to be placed on 'Hansard.'

Mr. SPEAKER: It can be done with the unanimous consent of the House.

Mr. BORDEN: There would be no objection to the request of my hon. friend being complied with.

Mr. SPEAKER: I take it for granted that the unanimous consent of the House is accorded.

Mr. McLEAN: I feel strongly on this question; I feel that it is the duty of Canada to give the assistance to the Motherland outlined in the resolution moved by the right hon. the Prime Minister. I say further

that Canada and the loyal men of Canada owe a great debt of gratitude to the right hon. leader of the Opposition, Sir Wilfrid Laurier, for blazing the trail, so to speak, as he did when he provided for a Canadian naval service. It is true that service did not come up to what some of us wanted; it did not include the ships we thought should be included; but nevertheless Sir Wilfrid Laurier had the courage at that time to lay down the principle of naval assistance to the Motherland, knowing full well when he did so that it would lose him a number of seats in his native province.

Canada will also owe great thanks to the Prime Minister, now head of the Government of Canada, for his action at the present juncture. It seems to me that it would be wise if these two right hon. gentlemen, the leader of the Government and the leader of the Opposition, loyal as they are, strong in the purpose of affording, as I know they are, assistance to Great Britain, should come together on a common platform, so that the people of Canada may proclaim themselves united in the assistance now about to be given to the Empire.

The following schedules are those I wish to have printed in 'Hansard':

THE POSITION IN DREADNOUGHTS.

GREAT BRITAIN—35.

Name.	Date laid down or ordered.	Date launched.	Date completed.
Battleships:—			
Dreadnought	Oct. 2, '05	Feb. 10, '05	Dec. '06
Bellerophon	Dec. 3, '06	July 27, '07	Feb. '09
Temeraire	Jan. 1, '07	Aug. 24, 07	May '09
Superb	Dec. 26, '06	Nov. 7, '07	May '09
St. Vincent	Dec. 30, '07	Sept. 10, '08	May, '10
Collingwood	Feb. 3, '08	Nov. 7, '08	April '10
Vanguard	Feb. 6, '08	Feb. 22, '09	Feb. '10
Neptune	Jan. 19, '09	Sept. 30, '09	Jan. '11
Hercules	June 1, '09	May 10, '10	July '11
Colossus	June 1, '09	April 9, '10	Aug. '11
Orion	Nov. 29, '09	Aug. 20, '10	Jan. '12
Conqueror	Jan. 4, '10	May 1, '11	March '12
Monarch	Jan. 4, '10	Mar. 30, '11	April '12
Thunderer	Jan. 4, '10	Feb. 1, '11	June '12
King George V	Jan. 16, '11	Oct. 9, '11	
Centurion	Jan. 16, '11	Nov. 18, '11	
Ajax	Jan. 13, '11	Mar. 21, '12	
Audacious	Jan. 13, '11		
Iron Duke	Jan. 15, '12		
Marlborough	Jan. 25, '12		
Delhi	Jan. 30, '12		
Benbow	May 30, '12		
New ship			
New ship	Programme of 1912–13.		
New ship			
New ship			
Battle Cruisers:—			
Indomitable	Nov. 21, '05	Mar. 16, '07	June '08
Inflexible	Nov. 21, '05	June 26, '07	Oct. '08
Invincible	Nov. 21, '05	April 13, '07	March '09
Indefatigable	Feb 23, '09	Oct. 28, '09	April '11
Lion	Nov. 29, '09	Aug. 6, '10	June '12
Princess Royal	Jan. 4, '10	April 29, '11	
*New Zealand	April 1, '10	July 1, '11	
†Australia	April 1, '10	Oct. 25, '11	
Queen Mary	Feb. 27, '11	Mar. 20, '12	
Tiger	May '12		

*Building at the charge of the New Zealand Government.
†Building for the Commonwealth Government.

Mr. McLEAN (Sunbury and Queens).

GERMANY—23.

Name.	Date ordered.	Date launched.	Date commissioned for trials.
Nassau	*Aug. '07	March 7, '08	Oct. '09
Westfalen	*Aug. '07	July 1, '08	Nov. '09
Rheinland	April '07	Sept. 26, '08	April '10
Posen	April '07	Dec. 12, '08	May '10
Ostfriesland	April '08	Sept. 30, '09	Aug. '11
Helgoland	June '08	Sept. 25, '09	Aug. '11
Thuringen	June '08	Nov. 27, '09	July '11
Oldenburg	†April '09	June 30, '10	July '11
Kaiser	‡	Mar. 22, '11	
Friedrich der Grosse	‡	June 10, '11	
Kaiserin	‡	Nov. 11, '11	
Konig Albert	‡		
Prinzregent Luitpold	‡	Dec. 17, '11	
Ersatz Kurfurst (Friedrich Wilhelm)	‡		
Ersatz Weissenberg	‡		
S	‡		
Ersatz Brandenburg, programme 1912–13.			
Battle Cruisers:—			
Von de Tann	*March '08	Mar. 20,'09	Sept. '10
Moltke	Sept. '08	April 7, '10	Sept. '11
Goeben	†April '09	Mar. 28, '11	July '12
Szydiltz	‡	Mar. 30, '12	
K	‡		
Ersatz Kaiserin Augusta, programme 1912–13.			

*Date keel was laid.
†Promised to the firms in autumn, 1908.
‡No official information.

The above statement shows the numbers of dreadnoughts, including dreadnought cruisers, either built or building or authorized by the United Kingdom and Germany, respectively, at the beginning of June, 1912, giving in the case of each country the name of each ship, when laid down or date of giving out contract, date of launch and date of completion.

THE WORLD'S DREADNOUGHTS.

10. The following table (corrected to the end of October, 1912) shows all the vessels of the Dreadnought era: A, in commission; B. completing afloat; C, on the stocks; D, ordered or projected, with the date when the last is expected to be ready for commissioning:

	A.	B.	C.	D.	Total.	Date of Completion.
British Empire	20	9	5	2	36	March 1915
Germany	12	5	6	—	23	March 1915
U.S.A.	8	2	2	1	13	Spring 1916
France	6	3	4	4	17	January 1917
Japan	3	2	4	—	9	? 1916
Russia	—	4	3	4	11	Spring 1917
Italy	1	3	2	2	8	? 1916
Austria	1	1	2	—	4	March 1915
Brazil	2	—	1	—	3	? 1914
Spain	—	1	2	—	3	March 1915
Argentine	—	2	—	—	2	? 1913
Chili	—	—	2	—	2	March 1915
Turkey	—	—	1	1	2	? 1915

11. The next table shows the probable strength in completed capital-ships of this class on March 31st (the end of the British financial year) from 1913 to 1915. These figures are obviously only approximate, the totals in each year being exaggerated if the past tendency to delay be accepted as a criterion of probable future progress.

—	Totals on March 31st in		
	1913.	1914.	1915.
British Empire	25	32	36
Germany	13	19	23
U.S.A.	8	9	12
France	6	8	10
Japan	4	5	5
Italy	1	4	6
Austria	1	2	4
Russia	—	4	4
Brazil	2	3	3
Spain	—	1	2
Argentine	2	2	2
Chili	—	—	2
Turkey	—	—	1

12. The total cost and cost per ton of representative units is shown below.

—	Total Cost.	Cost per Ton
BRITISH EMPIRE:		
Collingwood	£1,731,600	£ 89·9
Neptune	1,715,250	86·1
Monarch	1,886,900	83·8
Lion	2,068,350	78·4
GERMANY:		
Nassau	1,840,000	101
Thuringen	2,304,300	102·7
Moltke	2,156,560	95·3
AUSTRIA:		
Viribus Unitis	2,525,000 (est.)	126·2
ITALY:		
Conte di Cavour	2,600,000 (est.)	118·1
Caio Duilio	2,833,500 (est.)	126·8
U.S. AMERICA:		
Delaware	1,850,000	92·5
FRANCE:		
Danton	2,205,000	122·3
Courbet	2,603,960 (est.)	113·0
RUSSIA:		
Petropaulovsk	2,800,000 (est.)	121·7

It must not be forgotten that the Triple Alliance has twenty-two dreadnoughts afloat to our twenty-six, while their programmes include the present year's total thirty-five to our thirty-six. The same tendency is maintained in cruisers and torpedo craft.

Mr. McLEAN (Sunbury and Queens).

SITUATION OF NAVAL POWERS IN MARCH, 1913, IN SHIPS BUILT, BUILDING, AND PROJECTED.

		British Empire.	U.S. America.	Germany.	France.	Japan.	Russia.	Italy.	Austria.	Sweden.	Holland.	Norway.	Denmark.	Spain.	Portugal.	Greece.	Turkey.	Brazil.	Argentine.	Chili.
1. Capital-Ships	A.	44	19	17	17	9	9	8	4	..	..	..	..	3	..	..	2	3	2	2
	B.	10	..	6	..	8	4	..	..	..	..	..	..	..	..	..	..	..	..	..
	C.	22	16	20	14	7	6	6	6	..	..	..	..	..	..	..	..	..	..	..
	D.	..	7	2	2	3	3	4	6	14	11	6	6	1	1	3	6	3	7	2
2. Armoured Cruisers	A.	9	4	1	..	..	1	4	..	..	..	..	..	..	..	2	..	..	..	..
	B.	25	11	8	18	9	5	5	2	..	..	..	..	3	..	..	..	..	4	2
	C.	8	..	..	3	1	..	1	1	1	..	..	..	..	..	..	..	..	..	..
3. Protected Cruisers	A.	46	3	10	3	2	6	..	..	..	..	..	..	1	..	..	..	..	..	..
	B.	43	11	32	2	12	1	7	9	..	6	..	..	3	1	..	3	4	3	3
	C'	7	2	5	5	7	1	2	3	3	3	2	5	1	3	1	2	6	2	2
4. Torpedo-Gunboats		13	..	..	3	4	6	4	7	5	..	1	..	4	..	..	3	4	2	2
5. Destroyers	A.	152	34	85	21	16	34	18	6	..	..	3	..	..	3	4	4	10	12	6
	B.	80	16	48	62	54	70	28	12	9	8	..	6	7	..	8	5	..	3	6
6. Torpedo-Boats	A.	49	22	41	48	23	29	79	54	36	22	12	5	24	..	6	7	4	21	..
	B.	60	5	51	18	33	..	38	18	22	15	34	23	7	7	12	3	18	26	19
7. Submarine Boats		87	39	36	89	15	37	20	12	6	6	4	6	..	1	3	..	3	1	2

NOTES.—*Capital-Ships.*—A.—Modern ships of 15,000 tons or over. B.—Battleship-Cruisers. C.—Modern ships of over 10,000 and under 15,000 tons. D.—Older ships fitted for subsidiary services or modern craft of under 10,000 tons displacement.

Armoured Cruisers.—A.—Ships steaming 21 knots, and mounting at least four heavy guns of 9.2 in. calibre or over. B.—Ships of 6,000 tons or over not included in Class A. C.—All other armoured cruisers.

Protected Cruisers.—A.—Modern ships of over 5,000 tons. B.—Modern ships of over 2,000 and under 5,000 tons. C.—Vessels fitted for subsidiary services. not included in classes A and B.

Destroyers.—A.—Ocean-going craft of 500 tons or over. B.—All other destroyers.

Torpedo-Boats.—A.—First-class boats of less than eleven years of age. B.—All other boats.

THE FASTEST COMPLETED WARSHIPS IN THE WORLD.

	Battleships.			Battle-Cruisers.			Armoured Cruisers.			Protected Cruisers and Scouts.			Destroyers.		
	Nationality.	Name.	Speed	Nationality.	Name.	Speed	Nationality.	Name.	Speed	Nationality.	Name.	Speed	Nationality.	Name.	Speed
1	Italian	DanteAlighieri	24·5	British	Princess Royal	34·7	German	Blücher	25·88	Italian	Quarto	29·5	British	Tartar	40·2
2	"	Napoli	23·6	"	Lion	31·78	French	Ernest Renan	25·5	British	Bellona	28·8	"	Swift	38·3
3	Germany	Kaiser	23·6	"	Indefatigable	29·13	British	Drake	25·3	"	Boadicea	27·9	"	Amazon	36·8
4	British	Conqueror	23·13	"	Indomitable	28·7	"	King Alfred	25·1	American	Salem	27·7	Argentine	La Plata	36·8
5	Italian	Roma	23	"	Invincible	28·6	"	Essex	24·8	Brazilian	Rio Grand	27·412	Turkish	Muavenet	36·3
6	"	V. Emanuele	22·8	German	Moltke	28·57	"	Lancaster	24·8	German	Mainz	27·23	Russian	Novik	36·25
7	British	Temeraire	22·74	"	Goeben	28·4	"	Suffolk	24·7	Austrian	Ad. Spaun	27·07	German	V194	36
8	"	Neptune	22·7	British	Inflexible	28·4	"	Good Hope	24·54	Brazilian	Bahia	27·016	French	Casque	35·6
9	"	Colossus	22·6	German	Von der Tann	28·12	"	Cumberland	24·5	British	Falmouth	27·01	British	Lurcher	35·34
10	American	Florida	22·54	Japanese	Ikoma	24	"	Berwick	24·4	German	Augsburg	27·01	French	Bouclier	35·34
11	Italian	Regina Elena	22·5	"	Ibuki	22·17	"	Donegal	24·3	British	Bristol	26·84	British	Mohawk	35·294
12	British	Vanguard	22·4	"	Tsukuba	21·6	"	Leviathan	24·1	German	Koln	26·8	French	Crusader	35·216
13	"	Dreadnought	22·4				"	Kent	24·1	British	Glasgow	26·7	Italian	Indomito	35·10
14	"	Orion	22·31				Italian	S. Marco	24·04	American	Chester	26·52	Argentine	Cordoba	34·7
15	Brazilian	Minas Geraes	22·29				British	Cornwall	24	Japanese	Sutsuya	26·4	British	Nubian	34·7
16	American	North Dakota	22·25				French	Edgard Quinet	23·92	German	Kolberg	26·32	American	Reid	34·548
17	German	Oldenburg	22·2				Grecian	G. Averoff	23·9	British	Gloucester	26·292	British	Cossack	34·5
18	British	Bellerophon	22·1				British	Monmouth	23·9	"	Newcastle	26·266	German	G164	34·45
19	American	Wyoming	22·04				German	Gneisenau	23·8	"	Attentive	26·25	British	Zulu	34·3
20	British	Collingwood	22				British	Devonshire	23·8	"	Blanche	26·2	"	Ghurka	34·3
21	American	Delaware	21·98				"	Black Prince	23·65	"	Liverpool	26·171	German	V1	34·28
22	"	Utah	21·92				Italian	Amalfi	23·64	"	Yarmouth	26	American	Paulding	33·94
23	British	Hercules	21·91				French	Waldeck .		"	Active	26	German	G137	33·9
24	"	St. Vincent	21·9					Rousseau	23·64	"	Dartmouth	25·9	French	Fourche	33·8
25	"	Monarch	21·88				British	Antrim	23·63	"	Blonde	25·8	British	Saracen	33·8
							"	Roxburgh	23·63						

The following tables show that Great Britain's position has improved in recent years; the tonnage of armoured warships of the five principal naval powers launched in the five years, 1902 to 1906 inclusive, being as follows:

	Tons.	Per cent.
Great Britain	87,977	35.3
Germany	36,106	14.5
France	30,210	12.1
United States	73,184	29.4
Japan	21,648	8.7

In the subsequent five years, from 1907 to 1911 inclusive, the amount of armoured tonnage launched declined slightly to 243,440, thanks to the great reduction of American ship-building. Of this total—

		Tons.	Per cent.
Great Britain	accounted for	89,450	36.8
Germany	"	63,050	25.9
France	"	39,290	16.1
United States	"	33,530	13.8
Japan	"	18,120	7.4

The greatest increase was, of course, in the case of Germany, whose share advanced from one-seventh of the whole in 1902-6 to just over a quarter in 1907-11, while the proportionate share of the United States fell from nearly a third to less than a seventh.

PERSONNEL OF THE PRINCIPAL NAVIES.

Year.	Great Britain.	Germany	France	Russia	Italy	Austria-Hungary	United States	Japan
1901	117,116	31,157	53,324	61,503	26,750	9,069	13,351	—
1902	121,870	33,542	53,247	62,709	26,948	9,391	37,426	30,412
1903	125,948	35,834	52,966	64,393	26,994	10,277	41,805	32,810
1904	130,490	38,128	52,559	69,856	26,994	10,469	45,398	3,541
1905	127,667	40,843	54,549	71,527	27,492	11,989	50,049	—
1906	127,431	43,654	57,108	59,822	28,000	13,099	50,295	39,682
1907	127,228	46,936	57,461	55,343	28,476	13,133	51,942	41,777
1908	127,909	50,531	57,035	44,949	29,571	14,053	54,867	46,443
1909	127,968	53,946	57,351	46,845	30,613	14,954	58,827	47,240
1910	131,000	57,373	58,595	46,885	30,613	16,148	61,890	44,311
1911	134,000	60,805	58,649	46,655	30,587	17,277	62,283	49,389

PERSONNEL.

With the provisions of the Supplementary Estimates (1,500 officers and men) the total personnel provided for this year is 137,500 as against 134,000 in the last Estimates—an increase of 3,500. This is not enough. Even with the natural restrictions arising from lack of accommodation for training, or difficulty in absorption, &c., it should have been possible to add at least 5,000 to this number, and thereby endeavour at the earliest moment to remedy the present serious shortage.

Mr. ROCH LANCTOT (Laprairie and Napierville): (Translation.) Mr. Speaker, the motion of the right hon. Prime Minister which we have had under discussion since December 5 last, is of such importance that I believe I would be remiss in my duty, as representative of my constituents in Laprairie and Napierville, if I did not make known to you my views concerning this gift of thirty-five millions towards the building of three super-dreadnoughts in Great Britain, for the purpose of strengthening, as the statement of the Prime Minister goes, the British navy.

I listened with a great deal of attention to the speeches delivered from both sides of the House in reference to this motion, and the more I hear of such speeches and the more I read them, the more I am at a loss to find any justfication for such a tribute to the British Government, a tribute levied not at the request of the British ministers, but at the suggestion of our Canadian ministers, when in conference in London with the British ministers, as stated in the memorandum laid before Parliament by the right hon. Prime Minister when he made known his policy to the House and the country at large.

Hon. gentlemen on the other side who have so far taken part in this debate tell us that the British Government accepts with pleasure and gratitude that gift of thirty-five millions. I never suspected anything else, and as a matter of fact it would be difficult to find any one on this broad earth to refuse such a gift. I believe the right hon. Prime Minister and his colleagues would be glad to accept it themselves, if they had the chance, and I would congratulate them on the occurrence.

Now, Sir, I would like to know why we should make such a gift when the Admiralty experts and the British Prime Minister, Mr. Asquith, and Mr. Churchill, state that the British naval forces are able to cope with the combined forces of the two greatest powers, and not only at present, but for several years to come. The object of it all is to get out of trouble several hon. members on the other side, some of whom occupy seats in the cabinet, and who had promised that nothing would be done in the way of building a navy or sending a contribution,

previous to consulting the people. Such was the policy advocated by nearly all the Nationalist candidates in Quebec, during the election of 1911, and I do not think that a single one of these gentlemen came out at the time frankly and openly as Conservatives, endorsing the policy of the then leader of the Opposition and advocating the gift of two dreadnoughts.

In 1909, a resolution was introduced by the present Minister of Customs (Mr. Foster), stating that the time had come for Canada to take steps towards protecting itself, and that the best way of going about it was not a contribution, but the providing of a Canadian navy.

The former Government following on the 1909 session, sent two of its members to London, the Hon. Sir Frederick Borden and the Hon. Mr. Brodeur, to confer with the Admiralty experts and the British Government towards deciding what types of ships would be the most suitable for our Canadian navy. It was resolved that eleven ships would be built, viz., four cruisers of the Boadicea type, and six destroyers. Matters were getting on well; all were satisfied. The right hon. Prime Minister of to-day, then leader of the Opposition, addressed meetings in Great Britain about that time and approved the idea of building a Canadian navy. Shortly after, he returned to Canada, and he was still in favour of a Canadian navy. The date of the summoning of Parliament for the session of 1909-1910 was approaching. A banquet which was arranged for at Lachine in honour of Mr. Monk changed the condition of things. Mr. Monk stated in his address that we should maintain the statu quo and abstain from doing anything before the people had been heard from. Such a stand was bound to capture constituencies in the province of Quebec, and that was all they were after. From the viewpoint of the English-speaking provinces, we were not doing enough; they termed our navy a tin-pot navy. They wanted us to do more, to grant a contribution right away, and at the same time they allowed our Quebec friends to say that Borden was worse than Laurier, or rather that they were both conniving and that both should be discarded. Monk will be the next Prime Minister, they said, and as a matter of fact, my opponent in the election of 1911 pledged himself to cast his vote for whoever undertook to recall that obnoxious Navy Act passed by Laurier.

I am satisfied that every Nationalist candidate pledged himself similarly. That gentleman promised, even previous to the formation of a new ministry, that the Navy Act would be repealed. For, would he say, only return twenty independent representatives such as myself, and right after the elections, we shall proceed to Ottawa and there call on whoever is chosen to deliver the goods. I presume, and I have reason to believe that every candidate in the province of Quebec made a similar promise to his constituents. I think the hon. Minister of Inland Revenue spoke in that strain; I understand the hon. Postmaster General voiced similar views in the presence of his leader, Mr. Armand Lavergne, in Quebec county. He cannot deny it, I think; and after his return subsequent to accepting the portfolio of Postmaster General, addressing a meeting at Jeune Lorette, he advocated a plebiscite, and stated that if he could not get anything better he would be content with that. Does he prefer the 35-million vote to a plebiscite? As a matter of fact he made some such suggestion in a speech delivered before a political club in Quebec. If so, he is easily satisfied. I fear his electors will not approve of the view he has taken, when given a chance to assert themselves. During the 1911 election, my opponent and his friends in Laprairie and Napierville told the electors that this war navy—he never referred to the navy without prefixing ' war ' to the name, so as to make it sound more terrible to those poor mothers of family whom they had frightened so during the electoral campaign in Drummond and Arthabaska—that war navy will cost more than the total amount which the lands are valued at in both countries! Merely for construction, maintenance, the firing of the guns, the smallest require an expenditure of $80, and in proportion to the gauge the expense increases, and may reach $400, and even $1,000. I would enquire what they thought of the Borden amendment, and they would reply all together: We are against it. Mr. Borden is only Sir Wilfrid's valet, they would say in 1911. Now, I wonder what these gentlemen will say of him now that he calls on the House to vote thirty-five millions to His Majesty, without consulting the people, and without there being any urgency.

Are you aware, Mr. Speaker, that this contribution amounts to three times as much as the expenditure provided in the Canadian Navy Act of March, 1910? Accordingly, besides the valuation of the lands comprised in Laprairie and Napierville, the land values in St. Johns and Chateauguay should be included, and I fear I shall be obliged to cross the Richelieu river and take in as well the land values in Iberville.

Sir, that is the way Nationalists have instructed our people as regards their duty towards themselves and towards the Empire; and I am not a little surprised to hear the hon. Postmaster General entreat the Liberal party to set aside all partisan spirit in the consideration of this question. I wonder which party is to blame under the circumstances. Hon. gentlemen on the other side have lots of trouble ahead of them, and they will have only themselves to blame for it.

Now, Mr. Speaker, I was stating a moment ago that, as far as I am concerned, my party connections are of no personal

advantage. While I do not wish to be obnoxious to those hon. members who belong to the legal profession and who may count on political preference, I will say there is nothing in store for me to expect. However, I am sorry to say that my constituents whom I have the honour of representing in this House are in a very different position. The defeat of the former Government is going to cost them a great deal: five dollars a head for every man, woman and child in the family, and families of ten children are not scarce in my constituency. Add to that the father and mother, total twelve, at $5 a head, that is $60 per family; and the population numbering 20,000, we get a total of $100,000 for the first contribution.

It is very seldom that I take part in the debates; I am an Opposition back-bencher, only a plain farmer; but from the outset I have been asking to myself why we should vote that grant if we are to build a Canadian navy, especially when the British Prime Minister, Mr. Asquith, and the First Lord of the Admiralty, Mr. Churchill, state that it is at the request of the Canadian ministers assembled in London, that they declare themselves satisfied of the generous gift tendered by the Dominion Government.

There is no evidence of urgency in the memorandum, and the Prime Minister himself has not endeavoured to show that there existed any. The move was simply intended to relieve a very embarrassing situation for the two wings making up the cabinet, English-speaking Conservatives, and Quebec Conservatives, who were known under the name of Nationalists previous to September 21st, 1911.

Mr. Speaker, to my mind it would have been very easy to settle that question. There is no emergency. Mr. Churchill states that Great Britain is still in a position to defeat any combination of the two greatest powers, and that she is constantly increasing the strength of her navy to keep up with the development of foreign armaments. The Admiralty experts state that until the year 1920 is reached, the British fleet will stand towards Germany, as regards large battleships, in the proportion of 15 to 10; that is to say that for every 10 German dreadnoughts, Great Britain will have 15, and for every 20 German dreadnoughts, Great Britain will have 30, and so forth. So we have lots of time ahead of us in Canada to build our own ships, starting with the smallest, and later on, when our revenue will have considerably increased, we will be in position to build two dreadnoughts to complete each unit.

Sir, as far as I am concerned, I must admit right away that I am not in so great a hurry as hon. gentlemen on your right. The longer it will take to build that Canadian navy, the happier shall I be. I am opposed to any expenditure, either in the shape of a contribution or of ships built abroad for our Canadian navy. And what induces me to take that stand is the fact that in shipbuilding 70 per cent of the cost goes into labour. So should we spend thirty-five millions, within the next ten or fifteen years, to build our Canadian fleet, our Canadian workmen will earn through that new industry, close on twenty-five million. That will be so much money coming back to Canada; all will profit thereby, and the Government, as the great Canadian wholesaler, will have this year 100 millions of customs receipts and nearly 20 millions in excise duties.

Besides, it should not be forgotten that in 1897 the customs receipts amounted to barely 20 millions, and that through the Fielding adjustment of the tariff, the duties were on an average cut dwn by 3 per cent. Our people were leaving us, and those who remained had not enough money to provide for the necessaries of life, to keep them from starving. Thanks to the carrying on of important public works and to a large influx of immigrants, we are now in a period of great prosperity. Do you think, Sir, that if our large public works had been carried through by means of foreign labour, of workmen who would have returned home every fortnight to spend their earnings there, our country's revenue would be as large as it is to-day? No, Mr. Speaker, and that is one of the reasons why I am opposed to any contribution.

The Prime Minister calls on us to vote 35 millions to Great Britain, without having any good reason to offer to justify such a demand, no emergency, no semblance of emergency just now, and for several years to come. The Prime Minister wishes us to make a gift to a people twenty five times, to say the least, as well off as we are. Great Britain within the last seven years has cut down her public debt by 365 millions. We have increased ours by over 100 millions. The per capita debt of the British people is less than ours; their debt per head is also much smaller than ours. Great Britain is not as we are under the necessity of carrying out large public works over such a vast extent of territory as we have. In the older European countries, where the whole territory is occupied, conditions are quite different from those to be found in this country, where everything yet remains to be done, railways and canals to be built, harbours to equip, &c.

Sir, to my mind the Government should, in the first place, bring about the establishment of dockyards in this country. Not only warships, but also merchantmen could be built in such places, and that would start a new industry, while dockyards were being equipped towards the turning out of ships for the Canadian navy.

A moment ago I heard the hon. member for Queens and Sunbury (Mr. McLean) state that we were not just now in a position to build dreadnoughts in Canada. I am aware of it, Mr. Speaker, but I am also aware of the fact that we are not just now in need of any. Besides, we will do exactly

like those countries where it was found impossible to build dreadnoughts from the start, but which later on secured the necessary equipment, like Germany, for instance, where dreadnoughts are to-day being built. I noticed that while that hon. gentleman was giving out that statement, the right hon. Prime Minister's countenance was beaming, and that the Nationalist members from the province of Quebec, who were returned on the understanding that they would vote against the navy, thumped their desks almost too hard for safety, simply because the hon. member for Queens and Sunbury was contending that we could not build such large ships in Canada. I for one rejoice that it is so, as I see no necessity for building them hastily. But those Nationalist members who would not have any ships or any navy, countenance a proposal whereby such dreadnoughts will be built in Great Britain. I wonder how they will explain the matter to their constituents, and it is just possible that when the day of retribution comes they will have cause for regret.

I would suggest to the Finance Minister, if he be at a loss to properly spend that money, to apply it as I have stated above. In fact, Mr. Speaker, the hon. minister appears to be pretty much in the same position as the child who on a sudden falls heir to a large estate, without his having had any share in building it up. He is at a loss how to squander it rapidly enough, thinking that he can never get through such a fortune, and spending right and left. I very much fear that the Finance Minister will take after that young fellow, in the spending of the surpluses secured through the policy of his predecessor; and to begin with he gives away 35 millions.

Mr. Speaker, I have heard several hon. gentlemen on the other side refer on the floor of the House to the former Government's tin-pot navy. They stated that such a navy would be Canadian in time of peace and Imperial in time of war. I may be allowed to express here my view of the matter. Great Britain does not and will not require the assistance of our navy even in time of war. But, supposing Canada were to be without ships either on the Atlantic or the Pacific, it might happen that the power waging war on Great Britain should send one or two of its old, out-of-date ships, of no use in an actual encounter at sea, to block our seaports and prevent our merchantmen from getting out. And, Mr. Speaker, those are just the ships which Great Britain needs the most to protect; in time of war Great Britain will need provisions and supplies of all kinds more than she will want dreadnoughts or any other kind of ships.

I for one, Sir, submit that it is incumbent on the Government, in the fulfilment of its duty towards the country, the Dominion of Canada and the Empire, to see to the strengthening of our land defences, and the equipment of dockyards, for the purpose of building up a Canadian navy; and as far as I am concerned, it will be a Canadian navy in time of war as well as in time of peace. And should at the time our Government deem it necessary to send out our navy to assist the British fleet, they will be the judges in the matter.

Before closing my address, I wish to make a statement on my own behalf. Sir, it has been shown that there is no emergency, and, besides that Great Britain is in a position to hold her own; moreover the British Government and Admiralty, in conference with our Canadian ministers assembled in London in 1910 have come to the conclusion that the Canadian Government should build its own navy. This contribution of 35 millions, as stated by the hon. Minister of Marine, will be levied on our current revenue. That is so, but we will be under the necessity of borrowing that amount in England, and with a view to carry through our great undertakings, such as the Transcontinental, the Hudson Bay railway, the Welland canal, the deepening of the St. Lawrence, the improvement and equipment of our harbours, viz., Montreal, Quebec, St. John, Halifax. Since we have so many millions available for gift-making to Great Britain, I for one, seeing there is no emergency and that we are not in a position just now to start shipbuilding, would suggest to the Government to expend these 35 millions on the Georgian Bay canal. You might make a start at this session by asking for a vote of ten millions in the supplementaries, and by the end of the third year you would have thirty millions expended on that canal. By that time work on the Transcontinental would be at an end, and the Government would then be in a position to provide for termination of that canal. And once the dockyards have been built and equipped, we may start building ships for the Canadian navy.

As I was saying a moment ago, Mr. Speaker, should we take off 30 millions to start building the Georgian Bay canal, there would still be left five millions of that 35 million gift. That amount might be distributed in the form of grants to the provincial governments towards helping on the good roads movements. These governments would thereby be enabled to construct 200 miles of macadamized roads in this country, with the help of grants from their own legislatures and the various municipalities. Thus every one would profit by that expenditure and the improvement of our highways. Do not lose sight of this other fact, that the improvement of our highways would help materially in reducing the cost of living in large centres. Then, Mr. Speaker, all would approve, because all would profit thereby. If we had good roads, I am satisfied that the Laprairie farmers would go in more for truck farming, as Montreal would provide a good market for such products.

I wish to define my position in this House and in my constituency in regard to this contribution for the navy. I voted for

the navy in 1910, as I expected that such a navy would not require for its maintenance more than three per cent of our total revenue, as stated by the right hon. leader of the Opposition, the then Prime Minister. That Canadian navy was to cost $11,700,000, in round figures $12,000,000.

The Government is now making the offer of three dreadnoughts, and the 1911 Nationalists will say in Quebec, at the next election: of two proposals we chose the less expensive, the payment of 35 millions once for all. The hon. Postmaster General stated in his speech that the Opposition members were desirous of exacting something more than the mere expenditure of 35 millions, they wanted blood, the sacrifice of human lives, as politicians are fond of saying on the hustings of the province of Quebec.

The hon. Mr. Foster stated in Toronto that we will soon have a Canadian navy. That statement was made in order to satisfy the Ontario jingoes, and even those from New Brunswick, such as the one we have just listened to, the hon. member for Queens and Sunbury (Mr. McLean).

The amendment of the right hon. leader of the Opposition (Sir Wilfrid Laurier) proposes the building of a Canadian navy. On the other hand, the right hon. Prime Minister proposes that the House should make at once a gift of 35 millions to Great Britain for the building of three dreadnoughts. But it will be necessary besides to find three or four thousand men to man these ships, and provide for their pay, as well as for the maintenance of these dreadnoughts. Do you expect, Sir, that the men who will man those three dreadnoughts will not be taken from our midst, through the instrumentality of the Government and paid out of the public exchequer of the Dominion? It is a well known fact that Great Britain complains of not having enough sailors to man all her ships. Ships are not wanting, but rather the men, as stated by the British ministers. They will have to find them somewhere, and an effort will surely be made to secure them in Canada. I surmise that is the content of the secret document which these hon. gentlemen on the other side will not give out.

Let us see what Mr. Churchill stated in the British House of Parliament on July 24 last: Lord Selborne asked that eight dreadnoughts be built instead of three. If they were constructed, it would be impossible, as far as I know, to provide these vessels with officers and men at the time they would be ready to launch; unless other good ships, still capable of doing excellent service, were discarded. Now then, Mr. Speaker, if we should make to the Government that gift of three dreadnoughts, without the sailors to man them, we would not be assisting the Empire, since the Admiralty officers state that it is useless to build new dreadnoughts, if men cannot be had to man them. So I must conclude that the Canadian Government have promised to supply Canadian sailors to put on board these vessels, once they are built and ready to launch.

Not only am I opposed to the giving of those 35 millions; I am even more opposed to increasing the expenditure for military purposes as proposed by the hon. Minister of Militia. The estimates for the Canadian militia for the year 1913-14 aggregate $10,500,665, an increase of $1,604,268 over those of last year. In 1910-11, six millions and a half were expended on the militia, and our opponents in the province of Quebec stated that we were extravagant. The hon. minister will have something more to put in the supplementaries, and that with the $10,500,665, will make up a total amount of eleven millions. Add to that twelve millions for a dreadnought, that will give a total outlay of $23,000,000 for military purposes.

Mr. Speaker, the people of this country are against such extravagance. During the last election, in Quebec, the Nationalist candidates, so-called, carried on their campaign, having as the main plank in their platform the condemnation of the policy of the Laurier Government in connection with the militia. Will these same gentlemen who were returned in 1911, clamor as loudly against the enormous military estimates forced on the right hon. Prime Minister by his Minister of Militia? If they are sincere they will do so.

Mr. Speaker, we are going to spend 23 millions this year. Let us suppose that our revenue reaches 200 millions; we are thus spending one-eighth of our revenue for military purposes. In a young country such as ours, where there is still so much to be done for the development of its resources, I say it is a crime to follow such a course.

Here is the stand I propose to take on this question of military expenditure. I oppose and shall continue to oppose any Government that spends more than $1.50 per head of population for military and naval purposes. Whatever party is in power, there is no justification for spending more than 7 millions for our militia at the present time, and if we put the population down at 8 millions, that would give a total grant of 12 millions for both the militia and the navy. The farming community which I represent, and more particularly the electors of Laprairie and Napierville, are opposed to such heavy outlay for military purposes.

Mr. Speaker, in connection with the granting of this vote of 35 millions, I say the Government is not backed by one half of the electorate. As a matter of fact hon. members on the other side who hail from the province of Quebec, when they went up for election pledged themselves, with very few exceptions, that nothing would be done either in the way of contribution or in the

way of ship-building, without an appeal to the people.

Before resuming my seat I wish to state that I am at variance with all the suggestions made by the hon. member for Queens and Sunbury (Mr. McLean), and especially to that in regard to the appointment of a committee to bring about a compromise between the two parties, whereby dreadnoughts would be given to Great Britain and the building of a navy started in Canada. I am opposed to granting those 35 millions, and to the building for the present of battleships, for which there is no need. I am content with the naval proposals of 1910; I abide strictly by the policy then propounded and put through by the Laurier government, a policy based on the resolution unanimously adopted by this House in 1909.

I think I have said enough to define the stand I propose taking on this question, a stand similar to that taken in 1909, 1910 and 1911. If in the course of the last election, I had gone from house to house in my constituency telling people that if elected I would vote for instance for the repeal of the Laurier Navy Act, I am satisfied I would have captured one hundred more votes. But I was averse to catching votes under false pretenses. I always said that I was in favour of a Canadian navy and that I approved the provisions contained in the Navy Act. I was unwilling to express a certain view to one elector and the contrary view to another. I believe my constituents will acknowledge in due time that I have acted squarely and that, after taking my seat in this House, I did not break my pledges.

On motion of Mr. Lemieux, debate was adjourned.

On motion of Mr. Rogers, House adjourned at 11.45 p.m.

HOUSE OF COMMONS.

MONDAY, February 10, 1913.

The SPEAKER took the Chair at Three o'clock.

PRIVATE BILLS.

THIRD READING.

Bill No. 9, respecting Canadian Explosives, Limited.—Mr. Ames.

RICHELIEU AND ONTARIO NAVIGATION COMPANY.

House in Committee on Bill No. 20, respecting the Richelieu and Ontario Navigation Company.—Mr. Lespérance. (Mr. Deputy Speaker in the Chair.)

On section 1—increase of capital to $15,000,000:

Mr. LANCTOT.

Mr. MACLEAN (South York): This Bill is of vital importance to the whole country, inasmuch as it deals with the capitalization of a public service corporation. This Richelieu and Ontario Navigation Company is very well known in the part of the country from which I come, in the city of Toronto, and in the Niagara district. This company lately took over the Niagara Steamship Line, which has a number of boats plying between Toronto and Niagara which carry a large portion of the fruit of the Niagara district in which western Canada is very much interested. This fruit trade is one of the growing trades of this country; and the fruit growers of Ontario have a very serious grievance in the express charges on their shipments. The Richelieu and Ontario Navigation Company control this Niagara line and now have control of the navigation on the St. Lawrence route from below Quebec to the Welland canal. The company's vessels are increasing in number and size and its service to the public is increasing in importance; and therefore the public has all the greater direct interest in the capitalization of this company. Whether its charges for carriage by water alone come within the purview of the Railway Commission I do not pretend at this moment to say But, so far as concerns its freight on the shipments partly by water and partly by rail, the charges come within the control of the Railway Commission, and certainly within the jurisdiction of this Parliament. One axiom in connection with transportation—it may not be accepted in this House, but it is accepted elsewhere—is that the capitalization charges are the first that must come out of the service tolls that the public pay. And it follows that if the capitalization of a transportation company is extravagant or is wrongly organized, then the charges put upon the public for transportation must be unduly high. It is by no means a new doctrine, though it seems to be new in Canada, that the capitalization of a public service corporation is of first consideration to the community and ought to be of first consideration to the legislature representing the community. This doctrine applies to banks as well as to transportation companies, it applies to telegraph companies, to telephone companies and to all the great public service corporations that are in the hands of private investors. The view has been accepted in the United States and everywhere else that the regulation of the capital of these corporations is of the very first importance.

Now, I have no prejudice against the Richelieu and Ontario Navigation Company. I am not in any way interested in the struggle which is said to be going on for the control of that company; that matter is wholly immaterial to me. But the

capitalization of this company is of great concern to the people of Canada; and I intend to show that unless Parliament exercises some control over the capital of the great public franchise companies, it will be bad for the public, as I think I shall be able to establish.

I understand that the present capitalization of this company is $10,000,000, and it is proposed to increase it to $15,000,000. It may be that this company needs this money. But even so, is it going the right way about getting it? The people of the United States have found that an issue of common stock is not always the right way; and in certain states of the union, companies of this kind have to go before a public body to justify any proposed increase of the capital. It may be that this company can get all the money it requires by an issue of four per cent bonds. At present, the Richelieu and Ontario Navigation Company pays a dividend to its shareholders very much greater then four per cent; and it is not limited to any rate of dividend. If it makes this large issue of common stock, and pays its shareholders dividends of ten or fifteen per cent, it follows per force that the service charges to the general public must be higher than they ought to be. Now, I contend that a company with the resources, assets and business of the Richelieu and Ontario Navigation Company, if it requires five millions of additional capital for the purposes of the undertaking, can get it by means of a bond issue at four or four and a half per cent. The bonds are better than common stock in the market, because they rest on the security of all the assets of the company. It must be remembered that these vessels carry the fruit in Ontario from the Niagara district not only to Toronto, which is a great central market, and not only from Hamilton to Toronto, but also to Montreal and to Quebec. One of the important questions to the fruit growers of Western Ontario is how they can get into the market, not only of Toronto and of Ontario but also of Montreal, Quebec and the Maritime provinces. And the more reasonable these capitalization charges in such a company as this, the more the likelihood of reasonable control by the Railway Commission, the greater is the certainty, that there will be lower freight charges. Therefore this company ought to be compelled to state to Parliament, or, as I would like it better, state to some commission appointed for that purpose, and preferably the Railway Commission, how they propose to raise this additional capital, to what purposes they intend to apply it, what prospects they have of making reasonable earnings on the capital to be raised. This measure relating to the Richelieu and Ontario Navigation Company raises the whole question of the capitalization of public franchise companies. It brings before this House and the people the recent capitalization manipulation of the great Canadian Pacific Railway Company, which has been raising enormous quantities of capital by issuing common stock, not by putting it on the market for what it would bring, but as 'a melon-cutting proposition,' to use the current phrase, through the distribution of these shares to existing shareholders at a lower price than would have been paid for them in the open market. I am not prepared to take up the time of the House with a statement of facts in connection with the Canadian Pacific railway, as hon. gentlemen have heard a great deal in regard to the matter; but if this kind of financing is permitted to continue in this country, I fear the result will be the same as that in connection with the capitalization of public service companies in the United States. The transportation companies of the United States to-day—I refer chiefly to the railway companies—cannot enter into financial dealings in the money markets of the world. They cannot sell stocks or bonds, and are obliged to borrow the money required for the purposes of their respective undertakings by means of short-date loans at six per cent. The reason for this condition is that so many of the American railroads have been over-capitalized; so many melons have been cut; so much common stock has been distributed among the shareholders, and especially among the promoters of the companies, that their securities are discarded in the money markets of Europe; and the Canadian Pacific Railway Company has set this most evil example in Canada. That company has unnecessarily increased its capitalization and its issue of common stock; it has cut melon after melon, and if this Bill goes through unchallenged, and if the Government does not face the proposition and state what it intends to do in regard to the capitalization of this and other companies, the result will be the giving of a free hand to these transportation companies, the Bell Telephone Company included, in regard to this very important matter. The Richelieu and Ontario Navigation Company may do the same thing, as there is no guarantee in this Bill that the stock is to be sold at the highest price; it may be distributed as a melon. No information has been forthcoming to the effect that this stock is not to be given as bonus stock to the shareholders, and that is one of the great features of the melon cutting industry in Canada to-day—giving new issues of stock as bonuses to the shareholders. The Canadian Pacific Railway Company has not done this openly, but it has given stock worth 260 to its own

shareholders for 175, and it offered the stock at 175 because of the fact that a few hon. gentlemen in this House directed public attention to this great scandal. When the Canadian Pacific Railway Company first started this melon cutting, giving the stock to their own shareholders at par, I raised a very strong protest in this House in respect to such procedure; but it has been continued, and the same issue is now raised in regard to another company which proposes to follow along the same lines.

I desire to direct the attention of the Minister of Finance to the result of this system of capitalization which is obtaining in Canada at the present time, and becoming so general. When Canadians went to the London and European money markets in the old days, they went with securities at three and a-half and four per cent. Since this procedure, to which I have referred, has been inaugurated in Canada, the entire capital stock of some of these companies has been designated as bonus stock, the company has been put on a bonding proposition, and has sold these bonds at a price as near par as possible. In order to induce the English purchaser of these securities to take the bonds, they gave them a big gift of free stock. Whether the corporation is a railway company, telegraph company, telephone company or electric railway line, the people served by it are paying dividends on the capital stock that was given away; they are paying interest on the bonds, and, naturally, feel that they are under a monopoly. A time there was when ordinary bonds of the Government of Canada were a three per cent or three and a half per cent proposition on the London market. Legislation was introduced this session whereby bonds endorsed by the Government of Canada were quoted at less than ninety on the money market, to save ourselves from the awful loss resulting from the London and European money markets being vitiated by this new system of finance, we have had to buy back these Grand Trunk Pacific bonds ourselves. When the Government of Canada goes to-day to the London money market, it finds it harder than ever to sell the ordinary bonds of Canada, as the London investor invariably makes inquiry with reference to the bonus stock. In dealing with this matter, the whole question of capitalization must be considered. The careless kind of capitalization we have had here is proved by the fact that even the provincial governments find trouble now in financing their securities. The municipalities of Ontario are finding trouble in financing debentures because of this new kind of stock propositions that are being put on the market, either stock that carries melons, or bonds that carry free gifts of common stock; and that may be the intention of this company in this Bill.

Mr. MACLEAN (South York).

Not only has Canadian credit, Dominion, provincial and municipal, been impaired by this kind of capitalization, but the very men who introduced into this country this kind of stock manipulation are, through their organs in this country and in the old country, publishing literature, some of which is summarized in the Monetary Times of last week, to the effect that owing to the craze for municipal ownership in this country municipal securities are worth very little in England, and the very men who have made this criticism are the men who have overloaded the English market with bonds carrying gifts of common stock, mainly for propositions that are outside the jurisdiction of Canada. Canadians to-day are going to the money markets of Europe with propositions of this kind for different parts of the world. They vitiated the market, and now they are telling that market that the municipal securities of this country are not good. Certainly they are not good as compared with these melon stocks. They are good securities; but these men whom we have incorporated here in Ottawa and in the various provincial capitals are going to the European market, and saying: Here is a public service in Canada or out of Canada, and we will give you the securities at a certain price, and then give you this free gift of common stock. The result is that the credit of Canada has gone down in the British market as compared with these propositions; the credit of the provinces and of our municipalities has gone down; and if we do not stop this kind of financing and stop the great Canadian Pacific railway from doing it, if we do not regulate this Richelieu and Ontario Navigation Company, disaster is ahead of us in floating our reasonable securities.

In the United States they have attacked this evil and I have given notice that when this Bill comes up for a third reading I shall move that a clause from the law of Massachusetts, which was designed for this very purpose, shall be inserted. That clause says:

> Such stock as issued shall be offered for sale by auction, and any shares not sold for want of bidders may be sold by the company at private sale, but for not less than their market value.

We should have that clause on our statute-book in regard to the Canadian Pacific railway. That railway has put out securities in the way of common stock which it did not want; when its treasury was overflowing it put out stock, as the Richelieu and Ontario Navigation Company will do, to its own shareholders, at a less price than could be got for it in the markets of the world. Massachusetts has dealt with this, and the state of New York is even more far-reaching in its reform. It must be remembered that New York is the place now where the great public service companies of the United States have to do most

of their financing. Before they can finance they have got to go to the Public Service Commission in the state of New York and comply with the following requirements: Before authorizing new issues the Public Service Commission has to be satisfied that there is a reasonable prospect that the venture is commercially feasible and that the amount to be expended is not in excess of the actual requirement.

Another very necessary provision is that accummulated profits contributed by the public should not be made the basis of additional capitalization imposing further burdens on that same public. That is what they propose to do with the Richelieu and Ontario if they are like the Canadian Pacific railway—and they have their headquarters in the same city. They will use this issue of stock in the way of distribution of accummulated profits which are in the treasury of the company. This is directly against the public interest and it has been found against the public interest in the states of New York and Massachusetts. There cannot be the same kind of issues in any part of Europe as we have in this country, they have been found to be against the public interest. We have been up against it here in Canada and, as I say, the only way that you can finance any Canadian issue in the Old Country is to have a melon or rights in connection with it. The great thing with the Canadian Pacific railway to-day is the rights that go with the stock. The English investor is ready for the Canadian Pacific railway rights or the Canadian Pacific railway melon, but the ordinary, everyday security that is offered to the British public, whether it be bonds of the Dominion or of a province or of a municipality, is discredited and discounted in the market to-day, and will be much more so if we do not stop the process.

Another matter in regard to the Canadian Pacific railway comes up in connection with the next clause of this Richelieu and Ontario Bill. It says:

> The company may invest and deal with moneys of the company not immediately required in such manner and upon such terms and conditions as may seem expedient.

I wish to direct the attention of western members of this House to the use of the accumulated capital of the Canadian Pacific railway. The Canadian Pacific railway has immense savings in its treasury at Montreal. It has probably $40,000,000 of savings in Montreal and it is issuing stock that is earning ten and twelve per cent dividends when it could get that money at four per cent or less, and the Richelieu and Ontario company want to do what the Canadian Pacific railway have been doing. If I am wrong, I want the Minister of Finance or somebody who knows something about the financial operations of the Canadian Pacific railway to correct me. The Canadian Pacific railway is very closely associated with the Bank of Montreal. Sir Thomas Shaughnessy, president of the Canadian Pacific railway, is a director of the Bank of Montreal.

Mr. BORDEN : Mr. Chairman, there is not the slightest objection to the hon. member discussing the Canadian Pacific railway or its increase of stock; but this is not a Bill relating to the Canadian Pacific railway, but a Bill relating to the Richelieu and Ontario company. While my hon. friend may use illustrations, I do not think a specific discussion of that company is in order.

Mr. MACLEAN : My illustration is immediately applicable, because I am going to show that if this Richelieu and Ontario company is allowed to issue stock without being regulated, and then to employ its accumulations in its treasury for investment as the Canadian Pacific railway employs its savings, we have a wrong going on in this country that certainly must be met. The point I wish to make is that the Canadian Railway Company have these enormous accumulation which the Richelieu and Ontario Company now proposes to have, and they are put in the Bank of Montreal which lends the money, $62,000,000 of it, on the New York Stock exchange in order to uphold the stock of the Canadian Pacific railway, instead of using these profits for the benefit of the system. That is the plan that is now being proposed by the Richelieu and Ontario Company. That is the practice followed by the Canadian Pacific railway. As far as I can gather, the Richelieu and Ontario propose by this legislation to be put in a position by law to follow the example of the Canadian Pacific railway, and to use its accumulations in its treasury in call loans in connection with its own stock. Now, that is rather a serious charge, but that is the practice we are asked to recognize and to put on our statute-book. We have the example of the Canadian Pacific railway, which, as I have said, instead of devoting its immense cash reserves to the betterment and extension of its roads, has been issuing more common stock which must pay a dividend of at least ten per cent, and which must be the measure of the charges imposed on the people of Canada in connection with freight rates. So it comes to this House. I know it may be an objectionable thing to bring this out in this House, but I do not know of any other way of calling attention to it than by pointing out that the Richelieu and Ontario, by this proposal which they have before the Parliament of Canada to-day, intends to embark on a similar course to that followed by the Canadian Pacific railway. It is not in the interests of this country that we should allow any transportation company to accumulate great reserves

and to use these accumulations for investment. The reserves of the Canadian Pacific railway, as well as the reserves of this company, ought to be devoted to two purposes—to the betterment of the service, and to the reduction of rates. If anybody tells me that these companies were incorporated for any other purposes than these, I shall be surprised. The Canadian Pacific railway was enfranchised to give a great public service. It was not enfranchised to create a great reserve of money in Montreal which could be used or loaned in connection with stock speculation. The people of this country do not intend that the Richelieu and Ontario Company should in the same way accumulate great reserves and be empowered by Parliament to make investments from time to time as the directorate see fit. It is not in the interests of transportation that it should be allowed to do so. There will never be any reduction in the freight rates in the West unless a remedy is found for this cardinal evil, which was inaugurated by the Canadian Pacific railway, of issuing stock that must pay at least ten per cent to the shareholders, when they could get all the money they wanted at four per cent. If this practice is to be allowed, or if any other company is to be allowed to follow the example of the Canadian Pacific railway, hereafter our finance will be turned upside down, and we shall find it impossible to get money for any purpose. So I am going to ask this House to pass upon this question when we come to the third reading of the Bill, and to declare whether this kind of financing is to be allowed in the country—whether a company is to be given the right to issue stock without any provision being put in the legislation declaring that that stock when sold shall be sold at the highest price, and that the proceeds shall be devoted to the purpose of the undertaking instead of being used as stock speculating money in Wall street or in the stock exchanges of Canada. That issue has not been settled in this country. The Canadian Pacific railway has not yet apologized for its practice, or said that it intends to stop this method of finance. It intends to pursue it,and this House will give the Canadian Pacific railway a whitewash of all that it has done if, it puts in the Bill that is now before it, the right to issue common stock without any explanation of how it is to be sold, or of the purpose to which the money is to be devoted.

The people in the West say they are burdened with freight rates. They have been before the Railway Commission a long time trying to get relief from excessive freight rates. One of the reasons they say, why frieght rates are excessive in the West is this great accumulation of money which the Canadian Pacific railway has, and which it is not devoting to the purposes of the undertaking—to the betterment of the road or to the reduction of freight rates. That money is being kept in Montreal and used on the stock exchange. The Richelieu and Ontario Company are going to do the same thing. The people of my own riding and the people of the West have a grievance in the matter of railway rates, and Parliament ought to regulate these things. I am going to read what the Montreal Gazette says about this proposal of mine. The Montreal Gazette is the organ of many big corporations or rather a newspaper very friendly to those that are carrying on this new kind of finance, this high finance, as it is called, a kind of finance that has practically ruined the United States, so far as having the confidence of the money markets of the world is concerned. We only want to do a little more of this sort of thing in Canada, and we will find our financial propositions in London ranking with those of the United States. The New York Central cannot issue a bond to-day, because of melon cutting in the past; the Pennsylvania road has had great trouble in putting out its bonds, and has been reduced to raising money on short-date loans at six per cent. Here is what the Montreal Gazette says of this proposal:

> It is proposed to incorporate by amendment in the Bill of the Richelieu and Ontario Navigation Company, now before the House of Commons, a proposal that the new stock it is proposed to issue shall be sold to the public by auction. The idea is one of the most extraordinary heard of for a long time, even coming from the home of Cobalting finance and radicalism, Toronto.

I do come from Toronto, and maybe I am a radical. Maybe I am preaching some new doctrine, but if so, I am glad to preach it in this House. There has to be regulation of those transportation companies in the matter of their financing, and it has to start with the Richelieu and Ontario Company here to-day, or the public ought to know of it. The Canadian Pacific railway must be regulated in regard to this financing, and I intend to make it an issue as far as I can on the third reading of this Bill. The Gazette continues:

> Anyone who knows how widely the stock of a big company is distributed throughout the country and often throughout other countries, will know how ineffective a method of putting out a new issue, a sale by auction in one city would be. The thing would simply make it impossible for the company concerned to get a reasonable price for its securities, if it could sell them in quantity, and would work directly, where it would work at all, to inflation of capital. If when the issue is joined the proposal gets four votes the House of Commons will suffer in the public esteem.

The Montreal Gazette, the organ of these great corporations, says in its issue this morning that if there are four men in this

House who will vote for such regulation of the capitalization of public utilities as I propose, or any reasonable regulation which any one else may suggest, the reputation of the House of Commons will go down. Are there four men in this House who believe in the regulation of the capitalization of these companies?

Mr. BENNETT (Calgary): There is one, anyway.

Some Hon. MEMBERS: Lots of them.

Mr. MACLEAN: There is a gentleman here who says there is one member in the House who believes in it, and perhaps who made the speeches in the West with regard to this very thing?

Mr. BENNETT (Calgary): I am.

Mr. MACLEAN: Then there are two.

Mr. EMMERSON: You will find some if you look over here.

Mr. MACLEAN: I hope I will find some. And yet the most conservative paper in this country . . . I do not use that word in the political sense but in the financial sense . . . says this House will be disgraced if there are four members who think that public service corporations should be regulated with respect to their capitalization. It makes fun of the idea of auctioning this stock on the market, but, they do it in Massachusetts. In Toronto, we have a most successful local company, the Consumers Gas Company, and its dividend is limited to ten per cent and anything higher than that must be applied to the reduction of the price of gas, and the price of gas is going down in Toronto steadily because of that regulation. And when that company issue new stock for the benefit of the undertaking, it is sold in the auction room. I remember when it used to be sold at 150, and then went to 180, and then 190, and then 200, and recently it sold almost as high as Canadian Pacific railway stock, and they had no trouble in getting the money. But, according to the Montreal Gazette, there is only one way of disposing of such stock and that is the old-fashioned way. If anyone convinces me that the Canadian Pacific railway could not get on the public market more than 175, for the stock it was recently empowered to issue—or as I contend which it empowered itself to issue,—then I will give up my case.

The CHAIRMAN: The hon member is not confining his discussion to clause 2.

Mr. MACLEAN: I have made my point, Mr. Chairman. I ask the gentleman who is promoting this Bill if it is the intention of the Richelieu and Ontario Company to sell this stock on the market and to devote all this money to the purposes of the undertaking, or, whether the company will issue the stock in whatever way they please.

The CHAIRMAN: I call the attention of the hon. member to the fact that clause 2 which we are now discussing, deals with the investment of moneys which the company may have on hand.

Mr. MACLEAN: Then if you keep me to section 2, I will say that this company intends to invest this money for other purposes than that of the company and the upholding of its franchise, and having said that, I have said what I have to say. The Montreal Gazette attacks the people of Toronto and calls them radicals, because we want to regulate these public companies. Is it because we have public ownerships in Toronto that the Gazette seeks to ridicule us? Let me tell hon. gentlemen that Joseph Chamberlain was one of these kind of radicals, and he has quite a reputation in the Empire. He believes in those radical ideas which cause the Montreal Gazette to attack the people of Toronto. I say that the responsibility is on the Government to introduce some kind of regulation as to the issue of this stock and as to the use of the capitalization of this company, and I intend, when the Bill gets to its third reading, to move the amendment of which I have given notice.

Mr. CARVELL: I do not know that I would like to follow the hon. member for South York to the full extent he wishes to travel in this case, but there is a great deal in what he has said which requires very careful consideration from this House. I have not yet been able to get any satisfactory information from the promoter of the Bill or from anyone else as to why this extraordinary power should be granted to this company by Parliament.

Mr. MACLEAN (South York): Without regulation.

Mr. CARVELL: My hon. friend has stated that the proposition as to putting the stock up at auction is not new and while I do not know as to that, I do know that it is not a new thing to regulate the power of these companies and to say that the shareholders shall not be entitled to receive a dividend above a certain fixed amount. We have an important example of that in New Brunswick. Probably the largest public utility in that province is the New Brunswick Telephone Company, and the Minister of Marine (Mr. Hazen) was a member of the New Brunswick legislature, and the ex-Minister of Public Works (Mr. Pugsley) was Attorney General, when legislation was passed providing that the stockholders of that com-

pany should not receive more than eight per cent; and if more than eight per cent be earned the Government has a right to step in and control the rates. I think in fact that the Minister of Marine (Mr. Hazen) was the promoter of that legislation. Why should a public utility which can only operate by a charter received from the people be in a position to take exhorbitant rates from the people? We know that certain public companies have increased their capital largely by cutting melons, and stock-jobbing, and so on, and when the people go to a public utility to-day and ask for a reduction of rates, the answer is: Oh, we have got so much stock, and we are compelled to pay dividends on it, and it would be unfair for you to interfere with our business so that we could not pay dividends. That would be all right if the stock represented all money, but more than half of it in some cases is watered, and it is unfair that the people of this country should be compelled to pay exorbitant rates so that dividends may be paid on this watered stock. I cannot understand why it is necessary for this company to get this five million dollars' worth of stock and to sell it according to the sweet will of the president of the company—because that is practically what it means in this case—for any price he wants to. He can cut a melon every day during the selling of the stock, if he so chooses. I think it is due to this committee that some reasonable cause be given before we pass this legislation. I raised this question on the second reading of the Bill and the promoter was not here, but he finally came to me and told me that in selling bonds it was practically necessary to sell the whole issue at the one time because you could get a much better price for it by doing so. Possibly he did not think I knew anything about selling bonds. I called his attention, however, to the fact that this did not provide for an issue of bonds. No man need try to tell me, if the Richelieu and Ontario Navigation Company require a million dollars worth of stock to build a new boat, that they are compelled to sell $5,000,000 worth of stock. You can see how absurd such a proposition is. If it is necessary to sell even $2,000,000 worth of stock for the purpose indicated, is it necessary to sell the whole $5,000,000? If the company are receiving the power to sell $5,000,000 worth of stock when they only require one million, you may rest assured that something is wrong, which is not in the interests of transportation, and which they are holding back from the committee. I wish to know from these hon. gentlemen what is the true reason. A reason was given that the company might, at the end of the year, have a little money left over, which was not required for paying dividends; and they did not want to deposit it in the bank at the nominal rate of three per cent, but they wanted a chance to invest. Does my hon. friend from Montmagny (Mr. Lesperance) think that he is talking to a lot of school children? It is up to my hon. friend from Montmagny to tell us the real reason why he wants Parliament to give the company this exceptional power, the right to sell $5,000,000 worth of stock. He will not tell us what they are going to do with it; he does not say that they are going to build a new boat or even to repair an old one. In the absence of any reason, I believe that my hon. friend from South York (Mr. W. F. Maclean) is almost right in what he has stated.

Mr. LESPERANCE: If my hon. friend will read over 'Hansard' of last Tuesday, when I explained the Bill, he will find I said that the new capital will be used for the purpose of buying or equipping terminals or buying new boats, and not for repairs.

Mr. CARVELL: My hon. friend made that statement; but he did not add how much; he admitted that it would not take the whole of the increased capital, and he said: whatever is left over, we want the right to invest. Invest it in the Quebec and Saguenay Railway Company? Invest it in the Banque Internationale or in what? I do not know; I am only offering these as suggestions. My hon. friend should tell this committee how much of this $5,000,000 is proposed to be used; what price it is proposed to sell the stock at. Is it to be sold at par, 110 or 117, which it is worth to-day? Where are the company going to build the terminals? How many boats are they going to buy? Are they going to use the whole or only half of the $5,000,000? If they are only going to use half, what are they going to do with the other half? These are pertinent questions. I think it comes back to the proposition of my hon. friend from South York, that the object of this company is to get hold of this stock; to sell it to the directors; to create a fund which will be put into the bank and will be used by the directors for other purposes than bona fide transportation in the Dominion of Canada. I have placed this proposition as trenchantly and as pointedly as I am able; and I think we are asking questions which should be answered. I wish to tell the hon. member for South York that two members of this House will oppose this proposition. I am satisfied that he will, and I know of another one. I think also that a good many members on both sides will vote against this proposition when it comes up. The hon. Minister of Railways, the hon. Minister of Public Works, the hon. Minister of Finance, the three members of this Parliament who

ought to be here to see that justice is done are not here this afternoon. It seems to me as if there had been some sort of an understanding that this Bill would be forced through. I hope not, I hope this will not be made a party measure; I hope that it will be tried on its merits, and that sufficient protection will be thrown around this Bill that the promoters will not be allowed to hold stock without protection being given to the shareholders; that it will be sold for all it is worth, and that nothing will be left for the directors to use in connection with any other transaction which they may have in view.

Mr. TURRIFF: This Bill is one that certainly interests every western member, every member who is interested in the transportation of wheat and other products of western farms. To my mind it is one of the most peculiar Bills that has ever been introduced in this House. We have heard from the hon. member for South York a great deal about the way in which the Canadian Pacific Railway Company raised their funds; but this method is very much worse than anything that has been attempted of late years by the Canadian Pacific railway. Here the promoters ask for the right to issue $5,000,000 worth of stock, and no reason is given as to what they are going to sell it at, whereas in the case of the Canadian Pacific railway, their stock is being sold at seventy-five per cent above par. This stock may be sold at twenty-five cents, fifty cents, or seventy-five cents on the dollar, according to the sweet will of the directors of the company. We have seen in the press during the past year that this company is endeavouring to amalgamate with and control other navigation companies operating in Ontario waters. The result will be a further increase in the cost of bringing wheat from Fort William to Montreal.

Mr. MACLEAN (South York): More mergers.

Mr. TURRIFF: Last year every bushel of wheat that went from Fort William to Liverpool cost the farmer from six to eight cents more than it cost two or three years ago. Why? Just because of such legislation as is going through this House to-day. Yet my hon. friends, the Prime Minister, the Minister of Public Works, the Minister of the Interior, the Minister of Railways and Canals, and the Minister of Finance, who should take an interest in this matter, deliberately walked out of the House, simply because the Government have no idea of doing anything to protect the farmer or the workingman. Their whole idea and their whole interests are to protect their friends who are promoting this Bill, the millionaires, the mergers and the combines. I wish every farmer in Canada was here to-day to see this legislation going through the House, and the reception which it is getting from the Government of this country.

Mr. LEMIEUX: You might add the stock jobbers.

Mr. TURRIFF: Oh, stock jobbers, they are all in it. This company is asking for an increase of $5,000,000 in its capital, and absolutely no restriction is being placed on the issue of that stock. They may issue the $5,000,000 worth of stock at any price they see fit, buy a big boat or a little boat or buy nothing at all; and we are giving them special powers to invest that money according to their own sweet will, while the people of Canada, more especially the western farmers, are going to pay dividends on all that money. Surely it is time a halt was called. It was bad enough when the Canadian Pacific issued $60,000,000 worth of stock the other day, when they did not need a dollar, and issued it at $175 a share.

Mr. OLIVER: It is worth $270.

Mr. TURRIFF: Here there is no restriction whatever, not even one million dollars out of this $5,000,000 might go into the treasury of the Richelieu and Ontario Navigation Company, and yet the people of Canada, through the exorbitant and extortionate freight rates, will be compelled to pay dividends on the whole $5,000,000. That is the state of affairs, and I commend it to my right hon. friend.

Mr. BORDEN: What is the hon. gentleman's authority for stating that this stock can be issued below par?

Mr. TURRIFF: I say it may; there is no restriction.

Mr. BORDEN: Does the hon. gentleman mean to say that it can be legally issued below par?

Mr. TURRIFF: My right hon. friend is a very clever lawyer. He knows perfectly well that millions of dollars worth of stock are issued at par and sold at par that does not bring ten per cent into the treasury of the company. Suppose this company wanted to buy a vessel really worth $100,000, the owners of the vessel say: All right, we will put on the vessel a valuation of $500,000 and we will take $500,000 worth of paid-up capital stock. That is the way it is done, and my right hon. friend knows it.

Mr. BORDEN: I did not know that anything of the kind could be done without a special statutory provision. Will my hon. friend say it can be done with such provision?

Mr. TURRIFF: Certainly; it is done every day of the week. How is it done in the case of mining companies?

Some hon. MEMBERS: Oh, oh.

Mr. TURRIFF: My hon. friend, the promoter of this Bill can laugh. He can afford to laugh; he knows how to put it over the public. And if he does not know, he does not have to go far to get the information. My right hon. friend (Mr. Borden) may make himself easy on that score; the gentlemen behind this proposition and behind all the other propositions —this is no worse than the others— know how to get rid of the stock paid-up and at par, and yet, perhaps not to yield to the treasury more than twenty, thirty, forty or possibly fifty per cent of actual value. But still the company will have to pay dividends on the face value; because, in a few years—the promoters do not hold the stock but turn it over to others —the innocent purchaser may say 'I paid ninety per cent, or one hundred per cent for this stock, and I am entitled to my six, seven or eight per cent dividends. I believe that it is time a halt should be called to proceedings of this kind. Take the issue of the stock last year by the Canadian Pacific Railway Company. I doubt very much that they had the authority of Parliament to issue it; I do not believe they had the right to issue it. But, at least, they had some decency about it, they sold the stock at $175 a share——

Mr. MACLEAN (South York): After protest.

Mr. TURRIFF: After protest, certainly. But in the case before us, we do not know anything about it. These people may get par, they may get fifty cents on the dollar. But it will make no difference—the people of this country will have to pay for it, and the people of the West will have to pay. Look what happened last year, as I was pointing out. It cost eight cents a bushel more to have wheat carried from Fort William to Liverpool than it did the season before or the season before that.

Mr. MACLEAN (South York): Because of the merger of the trans-Atlantic lines.

Mr. TURRIFF: A merger on the ocean and also on the lakes—part and parcel of this very proposition that is now before the House. And what has been the result? In the West, we had one of the best crops we have ever produced. Yet I have been told by scores of farmers, men whom I know well, that while they had a big crop, yet so far as the profits resulting from the crops were concerned, it was the worst season they had ever had since they began farming in the West. When you take the cost of production and extra freight rate, the result has been a big crop, the handling of a lot of money, but no profits to the men who grow the wheat. And if legislation now before us passes, it will mean simply tying one more millstone around the necks of the farmers. Yet hon. members on the Government benches pay no attention to this sort of legislation, but let it through simply because it is promoted by the big interests and by their friends sitting behind them.

Mr. SHARPE (North Ontario): It appears to me that this Bill should be discussed altogether aside from political consideration. But, judging from the warmth with which it is discussed on the other side, hon. gentlemen opposite are trying to inject into it a great deal of politics.

Mr. TURRIFF: With the hon. gentleman's permission, I would like to say, I took exactly the same ground against the Canadian Pacific Railway Bill when I was sitting on the Government side.

Mr. SHARPE (North Ontario): I remember that when two similar Bills went through the House, promoted by friends of the hon. gentleman, no adverse criticisms emanated from that quarter. The Ottawa Electric Light Company's Bill, a similar Bill to this, was passed without adverse criticism from these hon. gentlemen. The Ottawa Gas Company was increasing its capitalization from $1,000,000 to $3,000,000. And in the Private Bills Committee the promoter stated they would not require the additional capital for twelve or fourteen years. I asked him why they proposed the increase now, and he said that they desired to have the capital on hand in case they wished to expend it.

Mr. CARVELL: Was there any provision there that the directors could use the money for any other purpose?

Mr. SHARPE: That is a feature of the Bill I will come to. I am speaking now simply of the increase of capitalization. And I am inclined to be somewhat suspicious of the bona fides of some of these hon. gentlemen opposite and to think that perhaps their attitude is due to the fact that this Bill is promoted by an hon. gentleman in this House friendly to the Government. This Bill is a business proposition, not a political proposition, and should be considered altogether on its merits. When this Bill together with the Ottawa Electric Light and the Ottawa Gas Company's Bill were before the committee, I raised a protest on the ground that there should be some public utilities commission, or some public board to which these companies should go, even after they had got our consent to an increase of capital— they should lay their plans before that board, show why they desired to raise money, and to get the permit of that board to issue from time to time the stock as desired. I do not think we should allow any of these companies that hold franchises or charters from this Parliament to issue securities for the raising of large capital to be held in the treasury. The capital should

be raised for a specific purpose, and it should be used for the purpose for which Parliament gives permission to raise it. I was glad to hear the hon. member for Calgary (Mr. Bennett), last session, say, that over-capitalization was a live question and one that should be considered by this House. I hope that he, or some other hon. member will bring in a Bill on the subject. This is a live question, and one that the House ought to consider and settle. But it is not right to discriminate against this particular company. This company is on the same basis as the others, and we should not pick it out and say that it is likely to engage in stock watering and others are not. This is the common practice of all these companies. We should consider the question altogether apart from politics. We should deal with all alike and should deal with them under some general legislation. I find that this Richelieu and Ontario Navigation Company started in 1875 with a capital of $2,000,000, which they have since from time to time increased. The company is engaged in a public service, and that fact should be kept in mind. At the same time, this tendency to over-capitalization in the part of these companies exists, and it is the duty of the Government to deal with the problem and bring in a Bill to cover all such cases. In the absence of some general measure applying to all companies, I am in favour of the general principle that there should be some regulation of the capitalization of these concerns, and until there is some better provision made, I am in favour of the principle of the amendment proposed by the hon. member for South York (Mr. Maclean).

Mr. R. B. BENNETT (Calgary): Representing a western constituency, I think I have quite as much interest in the welfare of the people of the West, although I do not speak very frequently in this House as some hon. gentlemen who do a great deal of talking. The question of the restriction of capitalization of companies is one the solution of which involves very great difficulties. I would like to commend to the attention of the hon. member for Assiniboia (Mr. Turriff) the nature of the legislation he has assisted in placing on the statute books of this country regarding the increase in the capitalization of companies, and if he can reconcile his attitude with his confession of faith here to-day, he will indeed square a circle. Let me direct that hon. gentleman's attention to the Companies Act of Canada, under which many of the large companies of Canada have during the last few years been incorporated. By sections 52 and 53, chapter 79 of the Companies Act of Canada, I find that the late Government placed upon the statute books an Act whereby it is provided:

52. The directors of the company may, at any time after ninety per centum of the capital stock of the company has been taken up and fifty per centum thereon paid in, make a by-law for increasing the capital stock of the company to any amount which they consider requisite for the due carrying out of the objects of the company.

No by-law for increasing or reducing the capital stock of the company, or for subdividing the shares, shall have any force or effect whatsoever, until it is approved by the votes of shareholders representing at least two-thirds in value of the subscribed stock of the company at a special general meeting of the company duly called for considering the same, and afterwards confirmed by supplementary letters patent.

53. Such by-law shall declare the number of shares of the new stock, and may prescribe the maner in which the same shall be allotted.

In default of the manner of the allotment of the shares of the new stock being prescribed by such by-law, the control of such allotment shall vest absolutely in the directors.

That is the legislation which the member for Edmonton (Mr. Oliver), in his zeal for the West, placed upon the statute books; that is the legislation which the ex-Postmaster General (Mr. Lemieux) helped to place upon the statute-books of this country, but because, forsooth, this Bill is promoted by one who owes his faith to the Conservative party, hon. gentlemen opposite see fit to raise objections against it. It ill behooves the hon. member for Assiniboia to lecture this House on over-capitalization, when he assisted to place this legislation upon the statute books of Canada. Let these hon. gentlemen look at the matter fairly, and not make a political issue of a business proposition. It would look much better, and be more in keeping with their professed zeal for and interest in the welfare of the farmers of the country. I would assume from the observations the hon. gentleman just made, that he knows more about stock-jobbing and circumventing the law than he does about the interests of the farmers. Was it a timber company the hon. gentleman had in mind? Was it the Imperial Pulp Company? I will admit that so far as that company is concerned, the records show that a very large block of stock was given for a timber limit; as to how it was gotten, the less said about it the better.

So far as the first section of the Act is concerned, it coincides in every respect with the general provisions of the laws of Canada as placed upon the statute books by the Liberal Government. When the hon. gentleman from Carleton, N.B., (Mr. Carvell), deals with this matter, he is lawyer enough to know—judging from his ability to get into this House, and the way in which it was done—he is lawyer enough to know that the first section of the Bill now under consideration is an exact repro-

duction of the corresponding section in the Companies Act, with the necessary changes made for the purpose of adequately covering the ground. The section of the Companies' Act which I have just read and the section of the Bill now before the House are identical in terms in so far as general provisions are concerned, except that in the Bill now before the House the amount of the increase is restricted by legislation, and in the other case it is not. If the hon. member for Edmonton desires to increase the capital stock of the Edmonton Bulletin, he does so under the provisions of the Joint Stock Companies Act of the province of Alberta, without any such restriction as he now seeks to impose by legislation. If the hon. member for South York desires to increase the capital stock of the Toronto World, he is subject to no restrictions such as have been suggested. I have given some little time and attention to the consideration of this question, and I have as yet been unable to arrive at any method by which we can solve the difficulties attendant upon it except that which I shall presently suggest. This section of the proposed Bill is far more restrictive in its operation than that of the present Act. Under the general law, you can do as you please; under this section there exists a limitation. When the hon. member for Assiniboia speaks of peddling stock out at ten cents on the dollar, I assume that long experience has given him the necessary knowledge in respect to the matter, but I know of no method by which under the law it can be done. The court of last resort in the British Empire has held that a company cannot issue stock at less than par, and aside from any provision in the statutes, the courts have repeatedly held that this cannot be done. When my hon. friend speaks of the issue of stock at ten, twenty, and thirty cents on the dollar, I can quite readily understand the reason for his statement. There was, I think, a company known as the Saskatchewan Land Company, and there have been other companies in western Canada which have devised ways and means by which to circumvent the law.

Mr. TURRIFF: I rise to a question of privilege. Is the hon. gentleman in order in stating that another member of this House has circumvented the law? If my hon. friend makes such a statement, I may tell him that it is absolutely false. As far as any of the companies he has mentioned are concerned, I never was interested in any one of them, or never had a share of stock in any one of them. The hon. gentleman's friends tried very often in my constituency to advance such an argument but they were beaten every time.

Mr. BENNETT (Calgary).

Mr. BENNETT: I am delighted that we have had so clear an explanation of the hon. gentleman's knowledge of company law. He posed a few moments ago as an authority; he now withdraws any claim to a knowledge of the subject with which he was dealing, and virtually states that he was discussing it for political reasons only. The only gentleman I had in mind from whom there came any information the public might regard as valuable as concerning the attitude of the hon. member for Assiniboia, was Mr. Richardson, and it was from him the information came that the hon. gentleman was somewhat of a company promoter. Perhaps Mr. Richardson was mistaken, and as my knowledge was derived largely from that source, I will withdraw any statement reflecting on the hon. gentleman's propensities in that regard.

Might I now direct the hon. gentleman's attention to section 2 of the Act, which reads as follows:

> The company may invest and deal with the moneys of the company not immediately required in such manner and upon such terms and conditions as may seem expedient.

I desire to refer indiscriminately to the articles of incorporation of some of the different companies, as appearing in the Canada Gazette, and the first one I see is that of Griffiths & Company, Limited, page 2552. We will see what it says as to the powers that are given. Power is given to every company under the Joint Stock Companies Act of Canada to do just what is provided for in this case, that is, temporarily invest its moneys in any scheme or manner desired; and I have no doubt that if a long-suffering constituent of the hon. member for Edmonton (Mr. Oliver) were to approach the management of the Edmonton Bulletin when they had a surplus of cash in the treasury, the Bulletin Company would lend a few dollars on mortgage for six months or so. I have no doubt that the hon. gentleman, in the exercise of his power as controlling director, would be glad to do so, and the hon. member for Lethbridge, I am sure, would not see a constituent suffer if he could lend him a few dollars for three months on a chattel mortgage. I am sure that the bowels of compassion of the hon. member for South York would not permit him to refuse a constituent a temporary loan if he had the surplus cash. So I take it that the section is merely a provision common to every company under the Companies Act. The ex-Secretary of State knows this perfectly well. Here are the words in connection with the first company I come across, Griffiths & Company, Limited, at page 2552 of the current Canada Gazette:

To invest and deal with the moneys of the company not immediately required upon such securities as may from time to time be determined, and to lend money with or without security to customers and others having dealings with the company, to guarantee the performance of contracts by any such person or company, and to allow time for the payment of any debt that may be due to the company.

In every one of these companies that have been incorporated during the last five or ten years you will find just such a provision as is asked for in this Act.

But there is no doubt that, when dealing with a great transportation company, other impracticable and impossible. I devoted arily prevailing with a mercantile or trading corporation, and the problem which this country has sooner or later to face is how to regulate the increase of the capital stock, having regard to the rights of the people as well as the rights of shareholders. My hon. friend very properly directed attention to the fact that during a speech in western Canada I made some effort towards the solution of this problem; but in England I made inquiries and ascertained that if you sold stock of the Canadian Pacific railway by public auction it could not be quoted on the London Stock Exchange, and as its chief market was there, it was impossible to adopt that method as a solution. I found that this was true on most stock exchanges. It is true that for a purely local company incorporated in Alberta or Saskatchewan or in any of the states of the American Union the necessary legislation could be passed; but in the case of a large transportation company, with business throughout the country and with its stock listed on the great stock exchanges, I was advised, and I believe properly advised, that it was not possible to sell by public auction and get the benefits I have pointed out, because the stock could not then be sold on the stock exchange. Then the Government could not fix the price at which the stock could be sold. I looked up the figures with regard to the Great Northern Railway Company. A few years ago it sold at $350 a share. Yesterday it sold at $125 and only a few days ago that company increased its capital stock and gave to those shareholders who took up their allotment the right to purchase at par. Obviously, if any government anywhere should endeavour to fix the price at which the stock should be sold, those who could not subsequently sell their stock at that price would have a just claim against the Government for leading them to believe that the stock was saleable at that figure.

Another difficulty arises in connection with the matter. I find that although public service commissions have been created in New York, Massachusetts, and other great states of the American Union which regulate matters of this kind, this year, when the Canadian Pacific railway put its stock on the market at $175 to shareholders, an old, well established transportation company that had great assets, a rich company, the Delaware, Lackawanna and Western, whose stock was selling at a very high price, nearly $200, was permitted by the public service commission of the state of New York to issue its stock to shareholders at par, although it made thereby a very large sum of money in what we have been pleased to call rights.

The only solution I see is this. I have learned from inquiries in London that it would be quite impossible to maintain the public credit of our great companies if we required them to sell the shares at public auction. I know how fatal it would be for any government to attempt to fix the price at which stock should sell, because I have ascertained that to-day a stock may be worth a great deal and to-morrow may be worth very little. I remember when Union Pacific was worth $10, but the genius of Harriman made it worth $217. His death and the subsequent dissolution of the Southern Pacific combination has sent the price down to $155. If a government had fixed the price and there had been such a loss, it would have been greatly embarrassed. All of these considerations must commend themselves to the thoughtful business men in this House. What way is there out of this difficulty? It is a serious problem with which we have to deal, and the only suggestion I have is to establish a court of commerce, presided over by a man with a large knowledge of finance and mercantile transactions, and to require every company seeking to increase its capital stock to obtain the approval of this court; and the public should be given an opportunity to oppose any such issue. I would appoint some person who would correspond to the public prosecutor in England, who would always be prepared to appear before that tribunal on behalf of the people and urge their rights against the proposals made by a company asking for power to increase its capital and to fix the price at which it should be issued. I think that would be a fair way. When I was in England I heard a hundred times in the last six months complaints about the price at which the Canadian Pacific railway were issuing their stock. Oh, they said, they have no right to sell it to shareholders at $175; we should get it at par. The only way to deal with it that way is by creating some tribunal, impartial, free, unfettered by restrictions or restraints amenable only to Parliament, presided over by some person who has the capacity of a great mercantile lawyer, the knowledge of a great judge or jurist, and who will be able to determine the questions as they come before him, having regard alike, to the

interests of the shareholders and of the public. I see no other method of dealing with it. I am perfectly satisfied that the remedies that have been sometimes suggested will not be effective. Selling by public auction was my own method; I used it in the West and was told that it was impracticable and impossible. I devoted a lot of time to the effort to ascertain whether that statement was correct or not, and I am satisfied that it could not be done, having regard to the financial interests of the country and of the companies which have to get their money in London, Berlin and Paris. I am also satisfied that no government could take upon itself the responsibility of fixing the price at which stock should be sold. I am therefore satisfied that the evil is such that there should be some method by which some independent tribunal can fix the terms and conditions by which stock can be sold, the extent to which capital stock may be issued, and the rate of issue.

Mr. MACLEAN (South York): And the form of the issue.

Mr. BENNETT: And, if you will, the form of the issue. But I disagree with the hon. member for South York when he says that you could throw $60,000,000 of bonds on the market as the Canadian Pacific railway has thrown its shares. Such a large sum as $60,000,000 of bonds, I am told, could not possibly be absorbed and we all know the great difficulty experienced last week by the reason of the Southern-Union Pacific combine or merger placing on the market $126,000,000 worth of stock. It well-nigh staggered the market, and called into being an underwriting syndicate the largest in twenty-five years.

All these are problems that must be settled. What do they do in England? They flatter themselves that they have one of the finest financial systems in the world and the best administration of the Companies Act, but if you take the trouble to read the English Companies Act as it now stands, you will find no such restrictions as we are endeavouring to place here; and the majority of the men who come into new companies in England on an increased capitalization come in at par. I do not know whether that is generally known to the members of this House or not, but it is a fact, and any hon. gentleman who will take the trouble to read the financial reports—they will be found in the library—will find that all the companies whose capital stock was increased last year in England gave shares to their shareholders at par, and that the power of increasing their capital was given without restriction or limitation to the directors who fixed not only the amount of the increased capitalization but the terms on which that stock should be issued. Finance is a very complicated matter. I know very little about it, and I think that members of this House know very little about it. Those who have to maintain the high credit of great transportation companies, of great public service companies, of great commercial or mercantile undertakings, well know the anxiety and worry incident to such work, because you have to decide whether or not you shall increase your capital for the purpose of carrying on your business by adding new shares to your common stock, whether or not you shall issue preferred stock, or debentures, or bonds, and what form your security shall take. All that depends on the attitude of the public to a particular class of security at a particular time. Sometimes a bond is chosen, sometimes a stock. The public is exceedingly fastidious these days and exceedingly critical, and it is a matter of great difficulty in the minds of those responsible for carrying on vast enterprises to decide how money is to be obtained. All I can say is that we should do something to place such restrictions as I have suggested in order to prevent abuses. After all the credit of our great corporations is the common property of every man in this country. Some people think that the credit of a corporation is a personal matter. There could be no greater fallacy in the world than that. The credit of the Canadian Pacific railway, of the Grand Trunk railway, of the Canadian Northern railway, of our banks, of our great milling companies and navigation companies is an asset to every man in Canada, and a greater asset to the farmer in the West than to any other man. There is no man interested more than the farmers in maintaining the high credit of our great corporations, for once credit is destroyed money becomes difficult to obtain. The man who is getting along quietly with small loans feels the pinch first, because it is the small man that has to pay. That has been my observation and my experience, and I give it to the House for what it is worth. We should not attempt in dealing with one single measure, or with one single company, to lay down a rule which has not been tried, which has not and cannot be used, at least in England, or on the bourses of London and Paris, and which cannot be put in operation without striking at and destroying the credit of the company, and the company with impaired credit is worse than no company at all. Therefore I say, we should be very careful in what we do in relation to this matter. I support many of the suggestions made by the hon. member for South York. The only objection I

have is that some of these contentions are not made from any desire to serve the public weal, but rather with a view to attacking a gentleman who has been of great use to the Conservative party. That is the attitude I take. The matter is of such importance as to merit not the casual consideration of a few minutes, but the careful and studied consideration of every hon. member of this House, and of all those who are responsible for the carrying on of great business concerns. I would suggest to the right hon. the first minister the advisability and the desirability of appointing a royal commission which might make the closest possible investigation into all those matters, and lay before this House at the earliest possible moment a report that would enable us to devise means whereby we would be able, without in any way restricting the powers of great public service and transportation companies, to enable them to serve that public from whom they must derive their income; whereby without restricting or lessening the powers of those companies, we could safeguard the interests of the public and prevent them from paying too high a price for the services which those companies are giving. I have no solution other than that which I have suggested. I am very glad to have an opportunity to make a few observations on a matter which is of such very great importance to this country.

Mr. OLIVER: My hon. friend from North Ontario must have been rather disappointed with the response to his appeal for non-partisan consideration of this subject.

Mr. SHARPE (North Ontario): You started the ball rolling.

Mr. OLIVER: For I think that not only has there been an exhibition of partisanship from the member from Calgary (Mr. Bennett), but he has exhibited a personal animus that is not creditable to this House—

Some hon. MEMBERS: Oh, oh.

Mr. OLIVER: And which is not usual in debate in this House. I agree with my hon. friend that the question is important, but I do not agree with him that it is insoluble; nor is it a question for the solution of which we can afford to wait until the stars in their courses change; because when we get a public service commission from this Government, judging by its record up to date, we shall have two moons in the sky. I would suggest to my hon. friend from Calgary that, inasmuch as the question before the House is one that relates immediately and intimately to the transportation of the products of the West to their ultimate market, it is not quite good enough to say that there is an Act on the statute-book, passed a number of years ago, that contains provision similar to that in this Bill. A great deal of water has run under the bridges since that Act was passed. New conditions have arisen since that Act was passed. I would ask my hon. friend from Calgary whether it is his conception of the purpose for which we meet in Parliament that we should give our endorsation to legislation that was passed two, three, four, five, ten, or twenty years ago? I take it that the purpose of our coming to Parliament, the reason that elections to Parliament are held, the reason that Parliament meets from year to year, is that Parliament may meet conditions as they arise by suitable legislation; and the fact that this or that law is on the statute-book, placed there by this or by that party when in power, is not evidence either of dereliction of duty on the part of the Government which placed that legislation on the statute-book, or that there is no other legislation required at the present time. The purpose of the Bill is to give the right to a certain transportation company to increase its capital by one-half. Now all that has been said on behalf of this transportation company I am quite prepared to endorse. It is a perfectly legitimate business enterprise; I have no doubt it has been well conducted, I have no reason to believe that it has not done good service to the Dominion of Canada. But it is coming to Parliament now and asking for authorization to increase its capital, to issue stock to which the people may subscribe, and upon which the public interested in transportation must ultimately pay dividends. Speaking for myself, and I am sure speaking for the whole House, there is no objection in the world to allowing the Richelieu and Ontario Company to increase its capital stock by one-half, provided the Richelieu and Ontario Company will employ the money that is raised by the sale of that stock in enlarging its transportation facilities. When the Bill was last before the House I said that its promoter should place in it a provision in accordance with the statements he made, so that the members of the House could say to their constituents that they had discharged their duty in agreeing to the passage of the Bill only when they secured tangible assurance, which could be enforced in law. I suppose, that the money would be expended in the extension of transportation facilities and not in the restriction of these facilities. That is the point that is in the mind of the people. My hon. friend from Assiniboia (Mr. Turriff) has said that today the western country is suffering as it has not done in many years, largely because of the increased cost of transportation, and here is a proposition before Parliament which on the face of it may be

for the purpose of laying an increased burden upon the people of the West in connection with transportation on the great lakes. And all my hon. friend from Calgary has to say about it is, that the Liberal Government put just such legislation on the statute-books ten years ago.

Mr. BORDEN : Not ten years ago. It was the Act of 1910.

Mr. OLIVER : I accept the correction. I presume that the legislation of 1910 followed the legislation of previous years ?

Mr. BORDEN : I beg my hon. friend's pardon, I am wrong; it was 1911.

Mr. OLIVER : Well, I presume the legislation of 1911 followed that of previous years.

Mr. CARVELL : There is no clause 2 in the legislation of 1911.

Mr. OLIVER : It makes no difference to the responsibility of this House what the Liberal Government did in 1911 or in any other year; we are here to answer to our constituents for what we say and do on legislation that is before this House to-day, and the question before the House to-day is: Shall the House take care that these powers asked for by this navigation company shall be used for the lessening of the cost of transportation and not for the establishment of transportation monopolies on the lakes. That is the question before us, and the answer my hon. friend from Calgary has given is that you cannot do anything about it, and that you ought not to if you could.

Mr. BENNETT (Calgary): I did not say that.

Mr. OLIVER : I say that answer is not good enough.

Mr. BENNETT : It is not true that I gave such an answer.

Mr. OLIVER: It is not enough to say that some time in the distant future an arrangement may be made whereby something can be done to regulate transportation companies. Here is a question for consideration to-day and the answer to it is wanted to-day. There were one hundred million bushels of wheat shipped from last year's crop in the West, and an increase of transportation charges on that wheat of one cent per bushel would mean one million dollars. If the suggestions of my hon. friend from South York (Mr. Maclean) be correct; I do not say they are correct, then there is one million dollars in the pockets of this company, and a million dollars out of the pockets of the western farmer as a result of this legislation. If there is no such suggestion in this legislation as was mentioned by the hon. member for South York, the promoter of the Bill ought to agree to the insertion of such provisions as that the country may know that the members of this House have done their duty in protecting the public interest. I had occasion at a previous stage of the Bill, to mention the subject of the sale of stock which it is proposed should be issued. My hon. friend from Calgary says that you must not put any limitation upon the sale of this stock; that the company must do as it pleases with that stock; that you cannot do business in London, or Paris, or Berlin, unless you let the company do as it pleases in the disposal of the stock. He did me the honour to suggest that in a company in which I am interested I could do the same thing and that possibly I might do it. Let me tell the hon. member for Calgary that he had better have a discussion with his friend the Minister of Finance, because in the Bank Act the Minister of Finance has made provision for the sale of stocks held by shareholders in banks, and it seems to me it is a perfectly sound provision. If bank stock can be properly put to forced sale—because it is a forced sale under the provisions of the new Bank Act—there is no reason in the world why company stock generally should not be publicly sold so as to bring whatever the market price at the time may be. If that provision in the Bank Act is not right, let it be struck out, but if it is right then it is a good one to apply to other companies. If what the hon. member for Calgary says is correct, then there is no way to prevent the undue magnifying of the assets and burdening the earnings of a company through the issue of stock below its market price. If that be so, it is a serious proposition for this country to contemplate.

In the past five years the cost of living has been increased through the laying upon the people of the country of burdens to the amount of several hundreds of millions of dollars by the issue of stock for which money was not paid but upon which earnings are demanded. If the only answer to that problem is: you cannot do anything, I say it is most unfortunate for the people of this country; and I submit that there must be some other answer. I wish to disagree entirely with my hon. friend, when he says that the farmer is the first man interested in the stock market.

Mr. BENNETT: I said in the credit of the country.

Mr. OLIVER: In the credit of the country which he interpreted as being the standing of the stock market. If the suggestion of my hon. friend from South York is correct, the farmer is the man who will have to pay directly for the increase in the value of this stock. So it is in regard to the large majority of these stock quotations. The farmer is the initial producer and the ultimate consumer; it is out of the farmer that the profit has to come and does come,

the farmer and the artisan, the wage earner. It is upon the farmer and the wage earner that the burden of all this frenzied finance in the last resort rests; they are the men who are carrying it; and it is because of this frenzied finance that the high cost of living exists in the towns, and that the farmer is unable to farm with profit.

Mr. MIDDLEBRO: After listening to the remarks of the hon. member for Assiniboia (Mr. Turriff) and the hon. member for Edmonton (Mr. Oliver), I feel that I must say a few words. Anything affecting the question of mergers or trusts seems to act like a live wire upon them, a wire which was dead when they were on this side of the House. Since this debate began, I looked up the statutes of 1909. In that year, when my hon. friend from Edmonton was a member of the late Government and my hon. friend from Assiniboia was sitting on this side of the House as a supporter of the Government, I find that that Government increased the capital stock of this same company from $2,000,000 to $5,000,000. My hon. friend from Asssiniboia and my hon. friend from Edmonton in the debate on that subject said not one single word in opposition to the increase of the capital stock of that company. The reason was that the Bill was brought in by Mr. Prefontaine, a Liberal member of the House of Commons at that time. In the year 1910 a Bill was brought in and passed, chapter 157 of that year. We all know that whenever trusts and combines are mentioned in this House, the hon. member for Edmonton is their strenuous opponent. I want to say to the hon. member for Edmonton that he was a member of the Government which made it possible for a trust and combine if there is such a one, with respect to the present company, because by clause 10 of chapter 157 of the statutes of the year 1910, this legislation was passed:

> The company may take, hold and dispose of shares in, and enter into agreements with, any company having objects similar to those of the company, and may manage the affairs, or take over and carry on the business of any such company, either by acquiring the shares or other securities thereof, or otherwise howsoever, and exercise the powers of the holders of such shares or securities, and receive and distribute as profits the dividends and interest on such shares or securities.

If there is anything in the nature of a merger, security, trust or combine, in connection with the present Bill, the responsibility of that is the active legislation which was passed by the late Government, of which my hon. friend from Edmonton was a member. As late as the year 1911, when my hon. friend from Edmonton was a member of the late Government and my hon. friend from Assiniboia was a staunch supporter of that Government, not one single word was said in that debate by either of those two gentlemen in opposition to a proposition, which was to increase and which did increase the capital stock of this same company from $5,000,000 to $10,000,000. Not a single word was said by them as to trusts or combines, not a single word in opposition, because the Bill was introduced by a supporter of the late Government, Mr. Bickerdike. I think it ill becomes my hon. friends to criticise this Bill, which is nothing more or less than a permission to increase the capital stock from $10,000,000, at which they left it, to $15,000,000. The same thing has been done time and time again with respect to other companies. As far as that is concerned, I see no objection whatever to the Bill. The company is enlarging its sphere of operations; it is not as though this company had got some franchises from this Government; it is sailing upon the high seas, upon the free waters of this country, and any other company has a perfect right to do the same thing. If this company were like a railway, asking for a franchise which would give it special rights or privileges over certain territory, there might be some objection to giving it such powers. In regard to clause 2, in looking over the Canada Gazette, I find similar privileges are given to practically every company that is being incorporated. I have in my hand the Canada Gazette for January 18, 1913, and I find that such powers are given incidentally under the charters issued to these companies, which charters are given to these companies by virtue of the General Companies Act. For instance, the Spring Water Company, Limited, has the power:

> To invest and deal with moneys of the company not immediately required upon such securities as may be from time to time determined.

Practically word for word with the power which is given in this Bill. Then I find with respect to the Joliette Steel Casting Works, Limited, they are given power:

> To invest and deal with the moneys of the company not immediately required in such manner as may from time to time be determined.

Similarly, the Quebec and Orleans Corporation, Limited, are given powers:

> To invest and dispose of the funds of the company which are not immediately required in any manner which shall be decided from time to time.

The Western Canada Public Utilities, Limited, are given powers:

> To invest and deal with the moneys not immediately required upon such securities and in such manner as may from time to time be determined.

I could go through the whole of this Canada Gazette and point out companies which are given powers similar to the powers given in clause 2 of this Bill. Under these circumstances, I do not see why this attack is made on the identical clauses in this Bill which have been found in Bills passed by the late Administration.

Mr. CARVELL: Once again from the Government side of the House we have presented this beautiful argument: You did it, no matter how, no matter whether good or bad. I am surprised that my hon. friend from North Grey (Mr. Middlebro), who usually takes such a high stand, would come here and advance an argument like that. We have also had the pleasure of listening to my hon. friend from Calgary (Mr. Bennett), who has had the opportunity of being in London for the last six months, who has hobnobbed with financiers there, and who has been on the Paris and Berlin bourses. He knows that you cannot sell $60,000,000 worth of Canadian Pacific stock in one day on the London Stock Exchange. It is very interesting to get this information from such a high source as the hon. member for Calgary; but we are discussing the stock of the Richelieu and Ontario Navigation Company, which they are asking this Parliament to authorize them to issue. My friends on the other side seem to take it for granted that the gentlemen who are discussing this Bill are opposing the issue of this stock. My hon. friend from North Grey has taken the trouble to look up the statutes, and finds that during the Liberal regime the same company was given authority to increase its stock. Of course it was, and if this company had come here to-day the same as in 1911, the same as in 1899, and simply asked for the increase in its capital stock, in all probability you would not have heard any of this discussion. But a new element has come forth in the last three or four or five years, a new element that has become, to my mind, the greatest menace to the people of Canada. I refer to the merging of transportation companies, banks and other great concerns that control the business affairs of this country. They are finding the same thing in the United States, and in many other parts of the world. As new conditions arise it is our duty to face them and to try to overcome the difficulties that they involve. My hon. friend from Calgary admits that there are difficulties in the situation. He admits there are very serious difficulties in the transportation affairs of this country. I do not know that there is any business in this world which ought to be guarded as carefully against mergers as the transportation business. I do not need to tell my hon. friend from Calgary where the trouble comes in. The whole trouble is that, if these concerns are allowed to issue watered stock, then, when the application is made to the public commission for the regulation of rates, people come forward, many of whom have paid high prices for the watered stock, and say: If you reduce the rates we are allowed to charge, you are going to reduce our profits to a minimum. That is the difficulty and nobody knows it better than my hon. friend from Calgary. It is true that Parliament, up to this time, has not stated, in granting charters to these concerns, that they must put up their stock to public auction. It is true that in many cases the companies that have been cutting these melons have put their stock up for sale at something above par. But they always give it to their stockholders at probably one-quarter or one-half the difference between par and the actual value, and so the shareholders get a big rake-off out of it. Take the case of the Canadian Pacific railway. The stockholders paid for the stock recently issued $175 a share. But they could turn round to-day, and even in the present state of the market, could sell that stock with the rights at about $255 or $260. That is, they got $90 out of each share to which they were not entitled. But suppose they sell that to the ordinary investigating public, when we ask for a reduction of freight rates, the man who bought that stock in the market, comes to us and says: I paid $260 for that stock, and on the basis of a ten per cent dividend, I am getting something like four per cent on my money. If you reduce the rates below the present level, I shall not get four per cent, and I shall not be treated fairly.

Now, I come back to this Bill. As I said, nobody objects to the increase in the capital stock of this company. If it is necessary in order to carry on the business of the company, I say increase their capital to $15,000,000 or $20,000,000. If they were in a position to increase their capital to $20,000,000 and use that money to buy boats, make terminals and otherwise provide facilities for their business, and do business accordingly, it would be a grand thing for the company and a grand thing for Canada as well. But every hon. member on the other side who has talked about this matter has tried to get away from the real trouble, away from what we are arguing against, away from the thing which does not look right on the face of it, the thing on which their promoters would give us no real information. They are allowed to sell this stock for any money they decide upon. I say that advisedly. And they can take that money and do what they like with it. My hon. friend from Calgary and my hon. friend from North Grey, come here and read extracts from the Canada Gazette concerning charters granted to Joint stock companies. But these are only trading companies. Take

the case of my hon. friend from Edmonton (Mr. Oliver). That hon. gentleman is the owner of a newspaper. What difference does it make to anybody if the owners of that newspaper wish to give their stock away? What difference does it make if they sell it at 200? What difference does it make if the stock thus issued is invested in a roller rink or in any other business they please? That is their private affair. They cannot increase the price of the Edmonton Bulletin to the public, because there is competition in that business and they can only get what the state of the business will yield. The case of the Griffiths company has been mentioned. Why, they are a construction company; they have come from London to make what money they can. I understand they have one company chartered in British Columbia and another one in Montreal, and that they have now got a Dominion charter. Thev are building wharfs and docks, wherever they can get contracts. Whether they give their stock away or whether they sell it at 200, makes no difference to the public, for when the Griffiths tender for a public work they have to tender against the world; and they have to give the lowest tenders—if things are honestly carried on —before they can get a contract.

Mr. MEIGHEN: Does the hon. gentleman think that the public is not concerned in the over-capitalization of business corporations?

Mr. CARVELL: Not very much.

Mr. MEIGHEN: Many business authorities are against the hon. gentleman on that point.

Mr. CARVELL: I say the public is very little concerned. These companies have to carry on their business under competition, and they can get only what the condition of the market in their business will afford them.

Mr. MACLEAN (South York): Is the public not interested if they get into a trust?

Mr. CARVELL: That is another side of the case. That is where the tariff comes in. And on that, I am afraid, my hon. friend and I should disagree. However, we will not discuss that to-day. But, when you come to a transportation company or a public utilities corporation, you have a different condition of affairs. Take, for illustration, a case that may not be known to my hon. friend from Montmagny, the promoter of this Bill. Not long ago, a Quebec corporation, I think it is called the Quebec Railway, Light, Heat and Power Company, amalgamated with another railway company, called, I believe, the Quebec and Saguenay. Now, suppose a ratepayer of Quebec came before a public utilities commission and asked to have the rates reduced on the Quebec Electric railway. What would be the answer of my hon. friend? I think he would say: We have amalgamated with the Quebec and Saguenay; true, the Electric is a fine paying proposition, and the Quebec and Saguenay is the reverse; it is not fair to reduce rates on the Quebec Electric railway, because if you do so the stockholders will not receive their usual dividends. That is what it means to have a merger of public utilities companies. That is a very different affair from the case of an ordinary trading company. I am not so positive that my hon. friend from South York (Mr. Maclean) is right, but I am positive enough to vote for it if he will move an amendment that this stock shall be sold by public auction.

But that is not the point on which I have had objection to this Bill from the beginning, or to which I particularly object this afternoon. This second clause of the Bill is the one I find fault with. As I have said, commercial companies may sell their stock for what they please, but they cannot increase the charge upon the public. It is a different thing to allow a transportation company to increase its capital stock by fifty per cent and sell it for what they have a mind to. Notwithstanding the statement of the right hon. leader of the Government, I say this company can sell this stock for what they have a mind to, practically, and he knows it. When he proposes to make the people believe that the company cannot sell the stock for less than par, he knows better. I refer to the cement company. Perhaps the hon. member for Calgary could tell how much the cement company's stock brought at the beginning of this institution. Perhaps other hon. gentlemen could tell how much it cost them. This is paid-up stock, remember, and they issued something like $15,000,000 of it; and I make the statement here that not a man of the original holders ever paid a cent for it. It is not necessary that I should go into details as to the way this scheme is worked, as hon. gentlemen opposite very well know how it is done.

I was much interested in one of the sections of chapter 157 of the statutes of 1910, read by the hon. member for North Grey. It so caught my attention that I looked it up, and I think that section 10 is particularly applicable to the matter under discussion. I had a suspicion—I say it frankly—that there was something held back in relation to this legislation. If all the company wanted was the right to add to its capital stock to the extent of $5,000,000, the law presumes that such amount would be used for the purposes of the undertaking. If the directors, in the

absence of clause 2, attempted to use that money for anything else, the courts would prevent them from so doing. As I have said, I had a suspicion, therefore, that there was some other purpose in view—I do not attribute an ulterior motive, as I have no desire to use an offensive term—but some purpose aside from the interests of Richelieu and Ontario navigation. This brings me back to the minority stockholders—and I understand there is a large body of such stockholders in this corporation—men who are not in sympathy with the way things are managed, and whose rights ought not to be gambled with or trampled upon. By legislation which was enacted respecting this company in 1910, it was given power to take hold and dispose of shares in and enter into agreements with, any company having objects similar to those of the company. What are the objects of the company? The transportation of freight and passengers. What is the object of the Quebec and Saguenay Railway Company? The transportation of freight and passengers. I leave it to my hon. friends to make the necessary application. I think the House should hesitate before giving to this company such enormous powers as those proposed to be conferred upon it under subsection 2 of this Bill.

Mr. LEMIEUX: Will the hon. gentleman read the section again?

Mr. CARVELL: It reads as follows:

> The company may take, hold and dispose of shares in, and enter into agreement with, any company having objects similar to those of the company.

It goes farther than that, and states:

> And may manage the affairs or take over and carry on the business of any such company, either by securing the shares or other securities thereof, or otherwise howsoever, and exercise the powers of the holders of such shares or securities, and receive and distribute as profits the dividends and interest on such shares or securities.

We should, as I have said, consider the matter very carefully before passing legislation of this character. I am opposed to subsection 2 of this Bill and I will vote against it, and, in so far as it is possible—I do not know whether we can defeat it or not—but we will certainly bring the matter to the attention of this country and will do whatever can be done to prevent, I was almost going to say, a fraud of such magnitude being exercised upon the minority shareholders of the Richelieu and Ontario Navigation Company.

Mr. LESPERANCE: I think the hon. member has no right to call this Bill a fraud.

Mr. CARVELL: I did not say it was a fraud; I said I was afraid it was, or something to that effect. If my friend objects to the remark, I withdraw it, and leave the House and the country to infer whether or not the procedure is fraudulent.

Mr. BLAIN: Are we to understand that a protest has been made against this Bill by some of the small stockholders of the company?

Mr. CARVELL: Yes.

Mr. BLAIN: To what extent—a very large number?

Mr. CARVELL: I am not in a position to answer my hon. friend.

Mr. MACLEAN (South York): I desire to refer for a moment to the matter under discussion. I have for some years taken a great interest in questions of this nature, and, because of the interest I have taken, I have been obliged to detach myself almost absolutely from politics, and deal with the matter in an entirely unprejudiced spirit. I have spoken to my constituents in reference to the matter, and have received from them every assurance of co-operation in bringing these questions forward, and endeavouring to remedy the abuses existing in this country. We all have a great interest in maintaining the credit of our large corporations, but that credit is not to be maintained at the price of the continuation of those abuses under which the people of this country suffer. I desire that these abuses shall cease, and I am, as I have said, bringing this matter forward absolutely without prejudice, political or otherwise. The extent of the markets of the fruit growers of Ontario is absolutely dependent on the competition in the matter of the transportation of fruit. The Richelieu and Ontario Company has given a good service, we must admit, but I do wish to see in the legislation of this country some general provision that will regulate the issue of securities. The hon. member for Calgary suggested that a royal commission, or a court of commerce be created for the regulation of capitalization, but in the meantime we have to deal with these matters as they come up. If I were not to raise my voice in this particular case, I would be told I was not doing my duty. I am invariably charged with not introducing a broad general principle, but I have tried to introduce a principle at times, and have been told it was too sweeping. If something particular is introduced, the query is made: Why don't you have general law? It has been generally admitted that there must be some regulation of the capitalization of these companies, and, pending the creation of a court of commerce, why should we not change the law to such an extent as to provide that any company wishing to increase its capitalization must come to the Board of Railway Commissioners, state its needs, specify the form of the proposed security, and give to the people interested an opportunity of be-

ing heard in connection with the proposed increase of capitalization. The Canadian Pacific railway did not need stock to carry out their undertaking, they had plenty of cash in the bank at the time. They could have done all they are doing this year and next year without increasing their capital stock and yet they are allowed to issue this capital stock against the wishes of the people of this country. They could have got money on a bond issue at 4 per cent and yet they are allowed to issue stock, the proceeds of which will lie in the bank for years and the consequence is that the people of Canada who use the Canadian Pacific railway will have to pay the additional cost of capitalization in this way. An unnecessary charge has been put on the people of the West and the duty of the people of the West and of the East is not to maintain the credit of these companies so much as to get the public service at the lowest price. The companies can look after their own credit and they are looking after their own standing. We are here to look after the interest of the people of Canada and to see that they get a square deal from the companies who have been enfranchised. If the hon. member for Calgary (Mr. Bennett) could persuade the Government to make a general amendment and have a provision that in the meantime all these transportation companies must come to some authority to obtain sanction for their issue. In going to the Public Utilities Commission of New York they must say why they need the capital, giving the specific purposes for which it to be used and if they can show that they can get it more easily and better by a stock issue they are allowed to issue stock, whereas if bonds will secure the money they are told to issue bonds. I want to see some court with power to regulate this capitalization and until we have such court we must try to regulate it in some other way. I intend to propose the law of Massachusetts, which is that when a public service corporation proposes to issue stock it must sell that stock in the open market. That has been done both in this country and in the United States and it can be done in Canada; then when the hon. member for Calgary succeeds in having the commission to regulate matters of this kind we can repeal this law but in the meantime it is up to this Parliament to deal with this question in some way and to impose on the Richelieu & Ontario some regulation as to how this stock shall be issued and what it shall do with the surplus money it finds in its treasury.

Mr. McKENZIE: I took part in the previous discussion on this Bill, and I am sure I had no knowledge of partisan purposes in the discussion then, nor do I know of any now. There is no doubt now as to who has thrown this into the very vortex of party policies and discussion. That has been done not by any gentleman on this side of the House, it was left to an hon. gentleman on the other side. I have heard about a certain gentleman who is usually in active service about the barrooms in this country, a man whom they call a 'chucker-out,' that is a gentleman of big proportions, largely rum-fed, who stands around to throw out the poor fellow who becomes drunk and incapable. I was reminded to-day when we had this torrent of police court oratory from the hon. member for Calgary that the Government has found a chucker-out. But the Government and the supporters of the Government may find that they would do much better without a chucker-out and that hon. gentlemen on this side of the House are not to be chucked out or chucked aside even by so eloquent a police court orator as the hon. member for Calgary.

I presume that the hon. gentlemen who are promoting this Bill would not suspect the Prime Minister of having any sinister motives on this legislation or of being prompted by any ill feelings against them. We have been told that our reason for talking from a partisan standpoint is that an hon. gentleman who is somewhere behind this Bill has done herculean service to the Conservative party and for that reason, forsooth, we must defeat the Bill, and that all the criticism of the Bill comes from motives of that kind. The Prime Minister certainly would not be actuated by such motives but when this Bill was before the House on the 4th February, the Prime Minister said:

> It seems to me that this is a very ordinary provision for the increase of the company's capital stock. The capital can be only used for the purposes of the company. I think that many Bills of that kind come before Parliament which are passed without very much discussion.

Speaking of clause 2, the Prime Minister said:

> So far as section 2 is concerned, that is a rather unusual clause. I am not at all sure that the view taken by my hon. friend from St. John (Mr. Pugsley) is a correct one.

That is, he was not satisfied it was subject to the general Act at all.

> **I should be rather inclined to think that, unless it were otherwise specified, section 2 would be governed by the provisions of the Joint Stock Companies Act. . . . Often, powers are given to a company different from those contained in the Joint Stock Companies Act. I do not know what is the particular object of the section as to temporary**

investment. That is not a thing usually provided for.

The Prime Minister says that this is a Bill which contains unusual clauses and conditions and that temporary means of investment are not usually provided for. That is the opinion of at least one lawyer on the other side of the House, it is the opinion of the Prime Minister, and yet we are told that we are animated by party spleen in criticising the terms of this extraordinary Bill. I submit this provision has no business there at all. If the only purpose of this Act is to increase the capital, then why not let the company do that under its former legislative powers. There is no reason why this clause should have been in the Bill at all. I submit there is sufficient machinery in the old charter to let them carry on the business as they have hitherto carried it on. But this section 2 gives them extraordinary power,—'unusual power' according to the Prime Minister—and this power should not be granted. Whether this stock should be sold above par or below, I do not know. One thing I know is that, if an agreement be made and filed for the information of those concerned, it is possible to sell the stock of a company for other than a cash consideration. That is the condition of the law in England, and it is the condition of the law here.

Mr. EMMERSON: The principle we have been discussing and which my hon. friend from South York has so ably expounded is indeed of very great inportance, and the note of warning which he sounded, I think, is worthy of the attention of the members of this House. My own views with respect to the matter are somewhat pronounced, and I have expressed them on former occasions in this House, not merely during this Parliament, but during preceding Parliaments. And, at the risk of having my motives impugned—political or other motives—I propose to reiterate the views I hold. I am sorry we have reached the stage when on the discussion of private Bills it is found necessary to impute motives to hon. members who express their views. Political gratitude, I think, should not be a motive in the discussion of any Bill. But it might as well be said that hon. members who happen to sit on the other side are moved by political gratitude to support the Bill as to say that hon. members who are not quite in accord with the Bill are actuated by political resentment. As to the authority given in the first section of the Bill I do not wish to say a word against it. It is our right and our duty to grant applications for power to increase the capital stock of a company under proper conditions. But there must be good reasons shown for it. That is the rule that has governed the Railway Committee of this House for very many years. When a company comes before that committee asking power to construct a railway, its capitalization is named. Frequently, the committee, in its judgment, increases the capitalization; at times, it decreases it. We act upon well understood principles and usually calculate the capital on the basis of a certain amount per mile. Frequently companies come and ask for increased capitalization, based on facts that are submitted to the committee. I had not the pleasure of listening to the previous debate on this Bill, but I have listened very attentively this afternoon to learn why it was necessary that this company should have its capital increased from $10,000,000 to $15,000,000. If it is in the minds of those who promote the company or control it to expend that money in connection with the betterment of the transportation facilities which they wish to afford or to extend the operation of the company, why should not they have that power? And I certainly say they should have the power, provided they show to this committee good purposes for which the money is required. Take the second clause:

> The company may invest and deal with the moneys of the company not immediately required in such manner and upon such terms and conditions as may seem expedient.

The directors may do this. If they do not require that $5,000,000, they will have that money on their hands or if they wish they can invest it for some other purposes.

Mr. LESPERANCE: The section has been amended in committee so as to allow them to invest that money temporarily.

Mr. EMMERSON: They could have done that without any such clause as this.

Mr. LESPERANCE: It has been done by the company in the past, but their solicitor advised the directors that it was better while they were getting this Bill through Parliament to insert a section which would allow the company to temporarily invest this money as was done by all other incorporated companies.

Mr. EMMERSON: In my opinion the company has already sufficient power to invest that money temporarily, to place it in safe keeping, not, of course, to invest it in other companies. Would my hon. friend tell the committee the estimated cost of the works for which the company require the extra capitalization. The company may have in mind the construction of additional terminals, or wharfs, or steamships, or the exploiting of new routes, and if that is so the hon. member should tell us what the intention is. It seems to me that the second clause of the Bill as it is now, would give power to this company, or rather to

the directors, to buy stock and to invest in other outside companies. If it is not the intention to ask for that power, it should be so stated in the Bill. No one of course would take exception to their investing money in some liquid form which they could call on at any time for use in their undertaking. The proposition as at present incorporated in the second clause should not be approved by this Parliament unless very strong reason is given.

Mr. BORDEN: I understood the hon. member (Mr. Lesperance) to state that the company required very considerable working capital during the months in which this navigation line is in operation. On account of climatic conditions for a number of months in the year the line is not in operation and they want authority to invest temporarily the money during that time. The very fact that they would require the money immediately at the opening of navigation is pretty good evidence that the money would not be invested in any form in which it could not be made immediately available.

Mr. EMMERSON: I do not take exception to the temporary holding of the money for safe keeping, but what I asked the promoter of the Bill was, what he intended to do with the extra capital asked for.

Mr. CARVELL: The promoter of the Bill might also tell the committee why and how they come to have so much money lying idle in the winter, which is required to be used during the summer months.

Mr. LEMIEUX: The right hon. gentleman stated the other evening that he found clause 2 quite unusual; has he changed his mind?

Mr. BORDEN: A number of illustrations have been given this afternoon to show that such a provision is quite usual.

Mr. TURRIFF: I have been accused of approaching this matter as a partisan. I had absolutely no such idea in my mind, and if I spoke a little warmly it was not because the Bill was introduced by my hon. friend (Mr. Lesperance) or that the hon. member for Charlevoix (Sir Rodolphe Forget) was interested in it, but because it very seriously affects every one of my fifty thousand constituents. These people are interested in the transportation on the lakes. This Bill purposes to allow the company to issue five million dollars more of capital stock to which nobody in this House has objection if they want the extra five millions for the legitimate purposes of the company and for developing its carrying capacity in freight and passengers.

At six o'clock, Committee took recess.

After Recess.

Committee resumed at eight o'clock.

On section 2—investment of moneys of company.

Mr. TURRIFF: When we adjourned at six o'clock, I was endeavouring to point out to the committee that nobody on this side of the House was objecting to the increase in the capital stock of the Richelieu and Ontario Navigation Company, but that we were objecting that the stock is being issued and can be used for any purpose whatever, not only that but a special jeker has been put in this Bill, a special clause has been added to it, by which the funds that are produced from the sale of this $5,000,000 worth of stock may be used for any purpose whatever outside of the business of the company. This is a public utility company; it is one of the great transportation companies of the country, with a large capital, with a large number of vessels engaged in the carrying trade. As I pointed out earlier in the afternoon, the charge for carrying grain has been very materially increased during the past year; and as this particular company has been engaged in amalgamating and merging with other companies, it seems to me that some special provision should be made in this Bill that the stock should not be sold at less than the par value and that the money resulting therefrom should be used for the legitimate purposes of a navigation company engaged in the carrying trade. If the money is used for such purposes, not only would I not oppose the Bill, but I would hold up both hands for it. If we can do anything to reduce the cost of carrying wheat from Fort William to Montreal and from Montreal to Liverpool, every western member will be anxious to assist in every way he can. Why has the cost of carrying wheat gone up from six to eight cents per bushel in the past two years? Simply because of combinations and mergers by the different navigation companies both lake and ocean, which are carrying this wheat. We are bringing this matter to the attention of the House in an endeavour to improve the legislation. If the legislation of the past has been wrong, are we to continue that wrong? Why should we not rather try to improve it? Because we bring it up and endeavour to improve it in the interests of the country, and in my particular case in the interest of my own constituents, I am accused by hon. members on the other side of the House of taking a partisan view of the matter and of opposing the Bill because it has been brought in by my hon. friend from Montmagny (Mr. Lesperance) and supported by my hon. friend from

Charlevoix (Mr. Forget). There is absolutely not one word of truth in that statement. My hon. friend, the member for Calgary (Mr. Bennett) went out of his way to make a personal attack on me. I was not interfering with anybody; I was not attacking anybody; I was simply making some references to the general policy of the Government in standing by the combines. If ever a member was justified in making the remarks I made this afternoon, the justification came within half an hour afterwards when three prominent members on the other side of the House, the hon. member for South York (Mr. Maclean), the hon. member for North Ontario (Mr. Sharpe) and the hon. member for Calgary, one after the other, pointed out to their leader that the time had come when something must be done along just the lines which we on this side of the House were advocating this afternoon. I had therefore, ample justification in pointing out to the Government what was taking place, and in asking that provision be made in this Bill so that what the promoter of the Bill says is going to happen will happen. I think we have very good reason to be sceptical that everything will be carried out just along the lines that have been suggested. Here is what the Montreal Star, a paper supporting my hon. friends who are supporting this Bill, said about this matter on the 5th instant:

Richelieu fight nears climax. Mr. Claude G. Bryan who reached New York the latter part of last week, and who is the representative of the Furness interests in Richelieu, is expected in Montreal to-morrow. It is said that the support of the English group in the navigation merger has been definitely pledged to the Northern Inland interests and the programme of the western people will, in consequence, be carried out. Although it is understood that the financial reorganization plans of new control are more or less definite, it is improbable that there will be any public announcement in this regard for several months yet. The new board will in all probability devote its first energies towards drawing together the different ends of the merger——

They acknowledge that this company is engaged in merging:

—and the first steps will be in the direction of centralizing the administrative branches of the organization. It has been forecasted already, there will undoubtedly be some radical changes, the western men being committed to these before the opening of navigation this year. A meeting of Richelieu directors will be held to-morrow when it is expected the opposing factions will lay down their hands to avoid actual hostilities at the annual meeting of the company two weeks from to-day.

That is two weeks from February 5, which would bring us to February 19. You see that probably a large minority interest is opposing this increase in the capitalization. Let me read a paragraph from the Montreal Herald of two days later:

New R. and O. interests are now divided—Friction said to have arisen over increased capital plans.

'A house divided against itself,' gathered from reports on the 'Street' to-day is the position in which the new interests seeking R. and O. control find themselves to-day. It is believed that trouble has arisen over the passing of the Bill now before the Dominion House. Some of the big interests in R. and O. are against the increased capital.

Mr. James Carruthers returned to the city to-day from Ottawa and declined to say anything on yesterday's report that he had been asked to accept the presidency of R. and O. under the new control. It is very possible he will decline, however. It seems to be generally thought that Sir Rodolphe Forget will again be president, but it is almost certain that several of the present directors will 'walk the plank.'

Mr. Claude G. Bryan, representative of the Furness interests, arrived in the city last night. This afternoon, it is understood, there will be a meeting of the interests seeking control, Mr. Playfair, head of the western group, being in the city for the purpose. A definite stand on the new Bill and other plans for reorganization will be discussed.

It is understood that at the annual meeting, **February 19, the annual report will show** earnings for the past year at 9¾ per cent.

Large interests, therefore, connected with this company, which is a big company, are opposed to this increase of capitalization. If this report is correct as to the earnings of the company for the past year, and this being a public utility company, a transportation company, would we be asking too much that, in the interest of the public, not in the interest of either faction to the fight, it should be provided in this Bill that this new issue of stock be sold at not less than par; and, further, that every dollar which comes into the treasury of the Richelieu and Ontario Navigation Company should be used for the legtimate purposes for which the company was organized? I ask the leader of the Government; I ask my hon. friend the Postmaster General, who is now leading the House to take into consideration the fact that three of the members supporting him this afternoon said that the time had come when something must be done. I do not altogether agree with my hon. friend from Carleton (Mr. Carvell) in the view that it did not make much difference so far as commercial companies were concerned. I think it makes a difference in all companies, and I think action ought to be taken in connection with transportation and public utility companies. It would be well to look closely into the capitalization of mercantile companies as well. I do not think it could possibly do any harm.

Just a word in reference to the attack which has been made upon me by my hon. friend from Calgary (Mr. Bennett). I

wonder if my hon. friend from Calgary and the right hon. leader of the Government think that they are going to facilitate the business of the House by attacking an hon. member without any justification whatever? My hon. friend from Calgary made all sorts of insinuations that he dare not put into plain words. He tried to lead the House to believe that in the formation of companies I was accustomed to evade the law. I want to tell my hon. friend that if he wants fighting along that line he can get all he wants. In not a single case of the two or three commercial companies with which I am connected has one share of stock been sold for less than $100, with the cash paid into the treasury, and in not a single instance has one cent of commission been paid to anyone who sold that stock. It ill becomes my hon. friend from Calgary, the understudy of Sir Max Aiken, who did up the people in the cement business to the extent of millions of dollars, and who, with the hon. member, is engaged in merging the elevator companies in the West, to make attacks on anybody. But as I have said, if he wants fighting along that line, he knows where to get it. My record in connection with the formation of companies will bear comparison with his any day of the week. I challenge him to come forward at any time to show up my record in connection with companies. If he would keep just as straight to the line in his mergers and promotions as I have in connection with the companies I am interested in, he would do very well.

There is just one question I want to ask the right hon. the Prime Minister. As three of his prominent supporters have pointed out this afternoon that the time has come when something should be done in the way of regulating the promotion of companies, more particularly transportation and public utility companies—that intimation came from my hon. friend from Calgary, and I agreed very much with what he said in that connection, and also from my hon. friends from North Ontario and South York—I would like to ask the Prime Minister if, in view of the recommendation made by his own supporters, he proposes to do anything in connection with the particular Bill that we are now discussing.

Mr. BORDEN: I may say to my hon. friend that I do not propose general legislation in connection with this Bill, because that would be manifestly impossible. I do realize, however, that the subject which has been alluded to this afternoon is one of importance. As a matter of fact, it has been under the consideration of the Minister of Justice for several months past. The hon. gentlemen who have spoken on this subject, and others who have given it careful consideration, will understand that it is a subject which is by no means free from difficulties. It is surrounded with difficulties. At the same time, one cannot help realizing that there is a good deal of force in the suggestion that there ought to be control over some companies at least, particularly those that are performing quasi public functions. I do not think there is any reason why we should begin legislation of that kind in individual instances, although it is perfectly proper to bring up the subject in connection with this company. The provisions with regard to the increase of stock in the case of this company are precisely those which have been made over and over again by this House, and which have passed without comment, in respect to a great many companies, and indeed, in respect to this very company itself, on at least two occasions within the past thirteen or fourteen years, one of them no later, I think, than 1911.

Mr. TURRIFF: I think there was nothing in the provisions of the Acts referred to giving the company special authority to expend the money for any purpose it liked outside of legitimate work.

Mr. BORDEN: I looked at the Act of 1899 and the other Act, and, as far as I recollect, there were no greater restrictions in those Acts than are to be found in the present Bill. That is my recollection; I speak subject to correction. So far as the general question is concerned, I can only say that we shall be very glad to consider it, and indeed, as I have already mentioned, the subject is receiving consideration. But it is one upon which it would be undersirable to bring in any immature or rash legislation. When anything is done along that line, it should be done after very careful consideration and due deliberation, and it probably would have to be submitted to some appropriate committee of this House for the purpose not only of considering it, but of threshing it out by the interchange of views between gentlemen whose opinions may point in one direction and those whose opinions may point in the opposite direction.

Mr. CARVELL: My right hon. friend talks about there being no restriction in the previous legislation. I have also looked up these statutes. Nobody is complaining that there were restrictions. They were ordinary Bills such as have been passed by this House on many occasions, granting the company right to increase its capital stock. We are not complaining of the restrictions in this Bill; we are complaining of the extensions.

Mr. BORDEN: My hon. friend has misunderstood me. What I said was that I

could not find any greater restrictions in previous Bills—any additional restrictions. Speaking from recollection, I think they were in precisely, or at least substantially, the same terms as the provisions for the increase of capital in this Bill.

Mr. CARVELL: It is not the restrictions we are complaining of in this Bill; it is the extensions. It is true that the Bills of 1899 and 1910, by which this company received the right to increase its capital stock, are practically in the words of section 1 of this Bill. But that is not what we are finding fault with; what we are finding fault with is the extension provided by section 2, which provides that this company can take the money received from the sale of stock and spend it in any way it sees fit.

Mr. BORDEN: I understood the question put to me by the hon. member for Assiniboia to relate to the capital issue in section 1, and I answered accordingly.

Mr. CARVELL: I understood my hon. friend from Assiniboia to refer to the extension. That is what I am finding fault with, and I think that is what he was finding fault with.

Mr. TURRIFF: That is what I meant.

Mr. CARVELL: There is a great deal in what my hon. friend says. This is a big subject, and it is going to require expert attention. We do not deny that it is surrounded with great difficulties, and we realize that it takes much consideration to provide machinery by which these companies may be restricted in the issue of their stock, and to institute such measures as will prevent the injection of so much water upon which the people must pay dividends. As far as I am concerned—and I think I speak for most hon. gentlemen on this side of the House—there is no objection to the company having an extension of their stock. The hon. member for South York (Mr. Maclean) entertains another objection, but that is not a point in which I am interested so much as that of giving to the company the right to deal with $5,000,000, or an increase of fifty per cent, just as it sees fit, and allowing it to put the amount into any scheme the directors may deem advisable, without the knowledge or consent of Parliament.

Mr. BORDEN: Does my hon. friend think that the word 'company' in the last clause means directors?

Mr. CARVELL: It practically means directors.

Mr. BORDEN: I do not so understand it.

Mr. CARVELL: I have had enough to do with companies, and so has my right hon. friend, for that matter, to realize that if the directors do not control the company, they would not be directors; and that in ninety-nine cases out of a hundred the word company' means directors, and vice versa. I do not think, therefore, my right hon. friend will get very much comfort by trying to crawl out of a difficulty in this manner. If my hon. friend would consider the suggestion of throwing out section 2 of the Bill, I think much of the opposition to the Bill would be abated.

Sir RODOLPHE FORGET: As president of the Richelieu and Ontario Navigation Company, I desire to offer a few words of explanation in regard to the Bill now under discussion. The company was established in 1845, and has been running for sixty-eight years. We have 1,560 miles of water route, and own seventy-two steamers. Our capital has been increased from $1,300,000 to $10,000,000, and we want more money for the extension of our system. The money to be spent this year will be spent, first at Fort William, where we intend to build a terminal at a cost of half a million dollars, for the purposes of which the land has already be obtained; second, a steamer is now being built at Port Arthur at a cost of $750,000; third, a terminal is to be built in Toronto and a coaling station established for our steamers. We are now coaling with wheelbarrows, and find the method too expensive.

Mr. CARVELL: What will be the cost of that?

Sir RODOLPHE FORGET: $200,000 to $250,000. We intend also to build a larger steamer for the Montreal-Quebec line, to cost between $750,000 and $1,000,000, as well as putting another steamer on the Quebec and Saguenay river route.

Mr. LEMIEUX: Have you not a new one there already?

Sir RODOLPHE FORGET: Yes, but we want another one.

Mr. CARVELL: How much will that cost?

Sir RODOLPHE FORGET: About half a million dollars. Referring to the statement of the hon. member for Carleton respecting the sale of stock at ten cents on the dollar and fifty cents on the dollar, I may say that there has never been a drop of water put in the issue of Richelieu and Ontario navigation capital; every dollar of stock was paid for by one dollar, and the company has no right to issue a dollar of stock at a discount. As far as melon cutting is concerned, the stock sells at 116, and a bonus to shareholders of one or two million dollars at one and five-eighths

per cent. is surely not very much. The capital stock will be issued only as the company wants more money for the purpose of building terminals and boats. A navigation company is not like a railway corporation. We take all our money in during four or five months of the year—say from June to October—and we need it for twelve months, to meet interest on bonds, pay dividends, provide for outfitting, salaries, &c., and during five or six months of the year we have to loan money which is not capital, but simply earnings. We have been doing this for the last twenty-five years, but our attorney has called our attention to the fact that we have no right to do so. We are obliged also to advance money at times to our subsidiary companies; for instance, the Richelieu Company may advance money this year to the Northern Navigation Company, the Inland Navigation Company, and so on, simply for the purposes of these companies. Under our contract with the Grand Trunk Pacific Railway Company, we are obliged, upon receipt of twelve months' notice, to build a boat at any time the company is in need of one, and we thus do not know when we shall be called upon to build another vessel, and that is why we ask for a little more money than we actually need. I expect, however, that within three years the $5,000,000 will be spent. I would be very glad as president of the company, to issue our stock at 175, but it is selling at only 116, and when it goes up I have no doubt that we shall ask a little more from the shareholders.

Mr. OLIVER : I do not altogether agree with the statement of my hon. friend for Carleton to the effect that if section 2 were cut out of the Bill there would be no objection to section 1. The two sections have to be read together, and my suggestion is that if section 1 were amended to meet the views of hon. gentlemen who have raised objections to it, section 2 would not then be objectionable, but if section 1 remains as it is, section 2 certainly is objectionable.

Mr. BORDEN : If the hon. member for Carleton is willing to leave one section in, and the hon. member for Edmonton is willing to leave the other in, we might perhaps in that way effect a compromise.

Mr. OLIVER : My right hon. friend has spoken too quickly. If it is desired to meet the views of the different members on this side of the House on a question which the right hon. Prime Minister has admitted to be of great importance, I desire to make the suggestion that it be provided in section 1 that the money derived from the sale of the stock shall be used specifically for such purposes as have been indicated by the hon. member for Charlevoix. If this is done, no serious objection can be urged against section 2, but if it is not done, and section 1 remains as it is—a blanket proposition whereby the company can raise $5,000,000 whenever it pleases, and, by section 2, can expend it as it pleases—then undoubtedly section 2 is entirely objectionable.

Sir RODOLPHE FORGET : It cannot be raised unless the shareholders approve of it.

Mr. OLIVER : I assume to be speaking on behalf of the people interested in transportation on the lakes, and I consider that there should not be an authorization by Parliament for the raising of $5,000,000 for the purposes of restricting competition in transportation upon the lakes. If we are assured by the terms of section 1 that the money to be raised will be used for extending and improving the transportation service on the lakes, then, if melon cutting exists, we would waive that objection We recognize the difficulty of dealing with that but we do insist that Parliament shall have reasonable assurance that the additional money that is to be raised by the company shall be used for the purpose of extending and improving transportation facilities upon the lakes and not for the purpose of restricting competition in transportation. It is not necessary to wait until the Minister of Justice and the Government have decided by what means this question shall be met generally. Here is a specific case where special interests are involved. We know that this company is part of a merger, is in fact the head and front of a merger which has been able during the past summer to increase the cost of transportation on the lakes, to the very great injury of the people of the western country. It is not good enough to tell us that some time in the future something is going to be done that will prevent other companies from doing the same thing. What we, as members of Parliament, here and now charged with the responsibility of protecting the interests of our constituents, want is that that protection shall be afforded in this Bill, as it can be without in any way injuring the company.

Mr. BARKER: If the hon. gentleman wants only what he has said two or three words will make it absolutely clear. I would suggest that sub-clause 2 of section 1 shall read this way:

> But the stock shall not be increased until the resolution of the board of directors authorizing such increase for the purposes of the company.

Adding those words. Then in clause 2 there are the words: 'Already authorized by the Committee.' Sub-clause 2 reads:

> The company may temporarily invest and deal with the moneys of the company.

In the first part of that clause it is provided that the increase shall be for the purposes of the company and in sub-clause 2 the company may temporarily invest money. I can only say I do not think there will be a shadow of doubt as to the legal liability of directors who misapply that money.

Mr. OLIVER: My objection is that it might be the purpose of the company to use the money in order to restrict competition, which is not a proper purpose.

Mr. BARKER: There is no such purpose in the Act of any company created by this Parliament that any money shall be used for the prevention of interference with the objects of the company. The amendments I have suggested, I think, will meet his purpose, and the first amendment would prevent the possibility of misappropriation.

Mr. OLIVER: I did not suggest misappropriation. It was pointed out on a former occasion that when the Canadian Pacific railway were given authority to issue twenty or twenty-five millions of stock it was specifically stated in the Act that the money must be used for certain specific purposes. If that was necessary and proper in the case of the Canadian Pacific railway why not in this case?

Mr. BARKER: The Canadian Pacific railway may have known the particular purposes to which they were going to apply the money. In this case if we insert the words I suggest they can only apply it to the authorized purposes.

Mr. CARVELL: I am afraid the suggestion would not help much. The words 'for the purposes of the company' add nothing because under the law if the company sell stock they are presumed to sell it for the purposes of the company.

Mr. BARKER: Here is a specific direction.

Mr. CARVELL: Then you put a specific direction in clause 1 but by clause 2 you authorized the directors to do something else. Temporarily might be three months or three years, it covers any period of time until they need the money.

Mr. BARKER: If the hon. gentleman is arguing that way he is objecting to clause 2 as a whole, good or bad.

Mr. CARVELL: I am objecting to clause 2 as a whole and I think it is bad.

Mr. MEIGHEN: I agree with the hon. member (Mr. Carvell) as to the amendment suggested. I cannot see that a clause saying they must invest for the purposes of the company would do any good because they must do that or they are liable to be stopped by injunction. The company cannot invest the money other than for the purposes of the company, under the first clause of the Bill. What then can be the objection, is it that the powers of the company are too wide? Is it that the company is already armed with legal powers with which it should not be armed? Is it that they have already been granted by this House the privilege of making investments in other companies to the detriment of the public interest? If that is the case, would it not be well to ascertain who were the authors of the enactment that gave them these extraordinary powers which they have exercised to the detriment of the public interest; and if my hon. friend is in earnest, would it not be better for him to rise in his place and say: I was a member of the Government that put through the Act that gave them those extraordinary powers; I think we made a great mistake and we had better get to work and repeal clause 10 of the Act of 1910 which gave them those powers of investment. Would that not be the manly way to go about it. The Government of which the hon. member for Edmonton was a member, apparently convinced that the Richelieu and Ontario Company had not sufficient powers in the public interest, added in 1910 the very power of which he now complains to the rights of that company; and now he says it is the duty of the Government to clip the wings that they themselves affixed to that company. The hon. member for Carleton (Mr. Carvell) takes serious objection to the second clause. Why is he so much exercised over the second clause? This is a steamboat company. It plies boats from port to port. It is not a railway company in any sense. This company could have got incorporation under the Companies Act. It did not require to come to Parliament for the powers that it asks for in this Bill; and if this company had come to Parliament under the Companies Act, it would have secured the very powers granted by clause 2 of this Bill. Company after company, incorporated within the last two years by the Government of which the hon. member for Edmonton was a member and which was ardently supported by the hon. member for Carleton, were granted the very powers, word for word, which are granted by clause 2 of this Bill, and which have been granted up to this very hour. Let me read the phrasing of the powers granted under the Companies Act at the present time. I refer first to the charter granted under the Companies Act of Canada, and gazetted on the 18th January last to the Spring Water Company, Limited. I ask the committee to remember that this company, not being a railway company or one of the other companies prohibited from incorporating under the Companies Act. might have secured the same powers in the same way. Clause M of the charter of that company reads as follows:

> To invest and deal with moneys of the company not imediately required upon such securities as may from time to time be determined.

That is not only word for word the same as clause 2 of the present Bill, but it does not even contain the restriction inserted in clause 2 by the Private Bills Committee, namely that they must be limited to temporary investments.

Now, let me take the case of the Joliette Steel Casting Works, Limited, gazetted on the 18th January last also. They have power

> To invest and deal with the moneys of the company not immediately required in such manner as may from time to time be determined.

Showing that the wording of the second clause is the standard wording. Take again the National Builders Supply and Enamel Concrete Brick Company, Limited, also gazetted on the 18th January last. They have power to invest the moneys of the company not immediately required, in such manner as may from time to time be determined by the company.

Mr. EMMERSON: Does the hon. gentleman note any distinction between a company that is a strictly transportation company and a company which is purely industrial?

Mr. MEIGHEN: I will come to that in a moment. I go on to the case of the Quebec and Orleans Corporation, Limited. They have the same powers to invest the moneys of the company not immediately required in such manner as may from time to time be determined. Take the Western Canada Public Utilities, Limited. That is a special case. The wording in their charter is in these terms. It shall have the power:

> To invest and deal with the moneys of the company not immediately required upon such securities and in such manner as may from time to time be determined.

And this Western Canada Public Utilities Limited has powers in their charter similar to those in that of the Richelieu and Ontario Company. They have powers:

> To purchase, take in exchange, or otherwise acquire and hold, ships, vessels or ferries or any shares or interests in ships, vessels or ferries, and also shares, stocks or securities of any companies possessed of, or interested in any ships, vessels or ferries, and to maintain, repair, improve, alter, sell, exchange or let out to hire or charter, or otherwise deal with and dispose of any ships, vessels or ferries or shares, or securities, aforesaid.

Mr. EMMERSON: Only to hold shares?

Mr. MEIGHEN: No, they may invest in them; the same powers as this company has. That makes it clear at all events that any company coming to the authorities in Canada under the machinery framed and incorporated in the Companies Act, may obtain the very powers granted here; and since we concede that a company of this character could come under the general machinery which this Parliament has provided, and get the power they are asking for, we establish, if we intend to be fair, that we are bound in the case of a special incorporation to grant that power to that company. Because to do otherwise would be to say: 'If you come to Parliament and get a special Act, even if you are a company of a class that might have been incorporated under the general Act, you must beware, or Parliament will afterwards take vengeance upon you and abbreviate the powers that you might have secured under the Companies Act.' Surely that would not be fair. Surely we must follow and follow rigidly the principle, that so long as we have a general Act under which companies may secure general powers, we are bound in the case of a special company to grant the same powers, no matter how that company is incorporated; because to do otherwise, would be to establish a distinction for which there is no ground. If we want to do otherwise, we should limit the operations of the Companies Act in such a way as to altogether exclude public service corporations or natural monopolies.

The hon. member for Westmorland has asked me if I do not see a distinction between the case of a company which is of a public service character, or which is fulfilling a quasi public office, and a purely industrial corporation. There is for many purposes a difference, but for the life of me, I have not been able in the course of this debate to see how any such difference can apply to the present argument, that is so far as clause 2 is concerned. The company under clause 2 has power to make only investments. It has no special power under clause 2 to make investments of a character that would be detrimental to the public interest; none whatever. To reduce the powers granted by clause 2 would, to my mind, operate as a serious handicap; and if we want to secure the object which is in the mind of the hon. member for South York and in the minds of hon. gentlemen opposite, and which I believe is just as deeply imbedded in the minds of hon. gentlemen on this side of the House, the only way is to take our Companies Act and so reform it as to make it clear that public service corporations cannot get incorporation under that Act; and secondly, that when quasi public institutions come to this House for legislation they must come knowing that this Parliament will not grant them any powers which may be exercised to the detriment of the public interest. There is one way and one way only of doing it; but to pick out one corporation which is in competition with others and to in any way limit the power granted it as compared with the power granted its rivals, is to establish a system of invidious dis-

tinction which no Parliament should be asked to establish.

I have very great sympathy with the object sought to be obtained by many hon. gentlemen who have spoken. That object is, to see to it in behalf of the public that all the quasi-public institutions shall so use the money derived from their shares as to advance the interest of each company in its public service capacity; and furthermore, to see to it that, in the sale of these shares in the form in which they are offered to the public and sold, the interests of the public are conserved to the extent even of seeing that the utmost possible return is secured from them. I feel like going further even than would some hon. gentlemen opposite. The hon. member for Carleton (Mr. Carvell) would limit the operations of Parliament to companies of a distinctly public character; to railroad corporations, whose operations if successful have not been, are not now, and I believe cannot be on a purely competitive basis and which therefore assume more of a monopolistic character and perform as a result functions that are largely public functions. I believe for my part that not only in the case of such companies, but that now and with more certainty with the advancement of time, the public servants of this country, the Parliament of this country, should conceive it a duty to look into the stock issue of industrial concerns, because there is very considerable authority for the assertion.

Mr. CARVELL: I would control that by means of the tariff.

Mr. MEIGHEN: The hon. gentleman says he would control it by means of the tariff, but to that doctrine he is a very recent convert. The hon. member for Edmonton (Mr. Oliver) says that for five years in this country, by reason of overcapitalization, the cost of living has gone up, and hardships have been entailed on the workingman. Well, if we take this period of five years, then, after this same thing had gone on for three long years, the hon. gentleman and his Government came down to Parliament and specifically invited this corporation to proceed still further in the merger process, and to purchase the franchises of its rivals and thus enhance the cost of living. The hon. gentleman could not have acted in the dark at that time, because by his own estimate, given to-night, this process which was so highly detrimental and injurious to the public, had then been in operation under his own Government for three years at least. And the hon. member for Carleton (Mr. Carvell), who now says that by means of the tariff he would reinstate the principle of competition and utterly strip this Parliament of any interest whatever in the stock issue of industrial corporations, talked very little on that subject during the fifteen years the Liberal Government was in power. The tariff which is responsible, according to him, for enabling watered stock corporations to secure dividends, is what tariff? It is the tariff in force to-day; it is the Fielding Tariff which the hon. gentleman vigourously supported. I do not look for relief in tariff matters to the hon. member for Carleton or for any support in that regard of a sincere character from him.

Si WILFRID LAURIER: You expect it from the Minister of Finance.

Mr. MEIGHEN: I look to the Minister of Finance with very great hope for fair treatment in tariff matters. I am affirming that this or some future Parliament would conceive it part of its duty to regulate in some way, through the appointment of a commission or otherwise, the issue and the sale of securities of corporations whether of a quasi public character or not.

Hon. gentlemen will remember that, before a commission appointed by the United States Government many years ago, evidence was adduced to show that the amount of stock issued by large corporations had a distinct effect upon the price of commodities produced by these corporations; and hon. members will also remember that of recent date there is a very lofty if not distinguished authority writing in the magazines, and he has made a very considerable case in support of the assertion that the public is just as much interested in the stock issue of industrial corporations as it is in the stock issue of quasi-public corporations. This gentleman shows that by means of the operations of the stock exchange conducted as they are to-day, issues are placed at a more or less fictitious value, and that as a direct and necessary result, tariff or no tariff, the public are affected thereby and the price of the products of these corporations is enhanced. The machinery now provided for the sale, disposition and transfer of stock makes it possible to so increase the apparent value of stock issues of all corporations, and, by means of understandings between these corporations, to enhance the value of their products to the detriment of the public interest. But at the same time I affirm that it is clearly the duty of this House to address itself to this question in its broad sense. I am quite aware that it is surrounded in every respect with difficulty. I am not in a mood to criticise the Government in power at the present time. They have been in office only one year; but the hon. gentleman from Edmonton, whose public enthusiasm has received a wonderful stimu-

lus since the 21st of September, 1911, sat in this Parliament and in the Government very comfortably for a great many years, and we then heard no allusion to this subject from him. He did not talk then of the mergers, the trusts, and the combines, with tears in his voice, as he does now. But I can tell the hon. gentleman to-night that he will not have to wait fifteen years for the present Government to take action in this regard; he will hear less talk and see a lot more of legislation on the subject if he sits in this House for another fifteen years. I have in mind something of the character suggested by the hon. member for Calgary (Mr. Bennett) that without undue restriction on the issue power of corporations, after such issue power is granted by this Parliament, there will be some authority in the public interest to see to it that the issue takes the form most calculated to serve the public interest, which is after all identified with the interests of the company, and to see to it also that after the form is decided upon the best possible results shall be obtained. I do not think there is perhaps so great an evil existing as some would lead us to believe. It is true that a public service corporation at the present time has apparently in violation of statutes—perhaps not in violation of statutes but in violation of what at present prevails generally speaking—issued stock at a price below the market value. At the same time we must remember that if that very company had not power to issue the stock in the way it did and if the shareholders of that company did not know that that power rested in it, the price of the stock would be altered accordingly. The price of the stock would fall, because of necessity the public, knowing that that company may issue stock in this way, put a value on that power and add that value to the stock. As a consequence, the stock of the company rests at a figure above what it would if the issuing power were not as it is. At the same time, I do not think that destroys the position; I do not think that removes the charge; I do not think that removes the argument that the public are interested; most certainly it does not, because the better position to put the company in is this, to see to it that the public knows, that the public is certain, that the company's stock must be sold at its market value; and then we know exactly the position which the stockholders and the public are in, when we come to regulate the rates of that company. I think we have already spent too much time over this particular Bill. The hon. member for Carleton is astonished, and shrinks in terror from clause 2; but the hon. member for Westmorland says that in the form it is now it is meaningless, because the company could do anyway all that the clause provides. Having come to that state of conflict of opinion on the other side, surely there is not much to worry about. We should not make any special case of the present company. When we come to legislate in this regard, we must do so in a spirit of fairness to all companies that now exist and that shall exist; and see that the legislation shall apply the same to one as to another.

Mr. MACLEAN (South York): We are getting away from the issue as brought up this afternoon. Some very important statements have been made during this discussion; it is the most valuable and the most fruitful discussion we have had in this House for some days; and I do not think the House could have been better occupied this afternoon than it has been in discussing this question of capitalization of companies. The hon. gentleman, who has just spoken, says that we should not discriminate; but we constantly do that in the Railway Committee and in legislation as it goes through this House in dealing with companies. In the Railway Committee we have several model clauses which we can apply to new companies or to any new legislation that comes up. In view of the statement made by the right hon. the leader of the House to-night, in view of the statements made by the hon. member for Calgary (Mr. Bennett) and by the speaker who has just taken his seat, I say that we would be doing our duty if we put a clause in this Bill that its capitalization should be subject either to the proposal that I have made or to one based on the suggestion of the hon. member for Calgary, namely, that this company's capitalization should go to the Railway Commission for approval, and that the form of the securities to be issued by that company should be approved by that commission. That is what has been done in the United States, and it is what has been done in the state of New York. It is true that in this case we would be dealing with only one company; but I hope the view will not be taken that by reason of what has been said since dinner time we are white-washing the Canadian Pacific for what it has done. If we insert a clause that the capitalization of this company must be subject to the approval of the Board of Railway Commissioners, along the line of legislation in the state of New York, we can insert a similar clause in the next Bill of the Canadian Pacific which comes up in this House, and that is what I want to see. It is all very well to say: You must wait for a general Act; the best way to reform legislation is to begin with a special company, and take the companies up one after the other as they come before the

House. We will gradually work out the experiment and the public will know that Parliament has begun at last to regulate the capitalization of these companies. The hon. member for Calgary made a very good suggestion this afternoon; but he wants to wait until we can create a 'court of commerce,' as he said. We have got the very commission at an enormous cost, well equipped, with trained members on it, with high officials at their disposal; and we have the legislation of other countries to go by, and no injustice would be done to any of these companies or to this particular company, if we put a simple clause in this Bill that they have power to increase their issue of securities subject to the approval of the Railway Commission.

Mr. GERMAN: Why does the hon. member not move an amendment to change the Bill in accordance with the suggestion which he is making ?

Mr. MACLEAN : I am quite willing that the Bill should be reported to-night on the understanding that I have the opportunity, say next Monday, when we go into private Bills, of introducing an amendment of that kind, which will apply to this company, but which will be of such a general character that it can be inserted in the general Railway Act. I shall have to take some time and care in drafting the amendment, because the former Minister of Justice told me that the drafting of a Bill of mine was quite incompetent. If it is understood that the Bill is to be reported to-night and to stand till Monday next for its third reading, I will have an amendment ready to propose by that time.

Mr. OLIVER : My hon. friend from Portage la Prairie (Mr. Meighen), during the course of his remarks, did me the honour of alluding to myself and my responsibility as member of a former government. First of all, let me remind the committee of the position which he laid down, that because the Companies' Act made provisions, which he said were the same as those contained in this Bill, therefore Parliament should not interfere with this company, when it comes forward and asks only for such powers as are covered by the Companies' Act. He says it is not fair that we should deal especially with powers in this Bill which the company could have secured under the Companies' Act. My appreciation of the responsibility of Parliament is entirely different from his. The Companies' Act may be right or wrong; it may be good or bad; but the Companies' Act is not up for the consideration of Parliament at this moment; this particular Bill is what is up for our consideration. If the company sees fit not to take advantage of the provisions of the Companies' Act, but to come to this Parliament and get the direct authorization of Parliament, then the responsibility necessarily, unquestionably, and absolutely rests upon each individual member of this Parliament as to the action that he shall take. My hon. friend cannot shirk his responsibility as a member of this House in dealing with this Bill, because a Companies' Act exists. I think my hon. friend will appreciate that position when he comes to look it over. We are dealing with a concrete question before this House at the present time. It does not make any difference whether there is or there is not a Companies' Act, or what is or is not in the Companies' Act; the question is, what are we going to put in this Bill or what are we not going to put in this Bill.

Mr. PELLETIER : Then you have to discriminate ?

Mr. OLIVER : It is not a question of whether you discriminate or not; it is a question of whether you do justice by the people you represent. If the Companies' Act is wrong, there is a government sitting on the Government benches, of which my hon. friend is a supporter; and it is up to him and his friends to make the Companies' Act right. It is not good enough to say that that Act was passed by a previous government. That government is not in power now; it is not responsible to the people of the country at the present time; it is our friends who are responsible.

Mr. PELLETIER : Not even responsible for what they did.

Mr. OLIVER : They are responsible for what they did at the time they did it: but they are not responsible for what is done now; my hon. friends are to-day responsible for what they do or for what they leave undone, and they cannot place that responsibility upon their predecessors in office. It is amusing to see my hon. friends undertake to place on their predecessors the responsibility that they demanded at the hands of the country. The country, I think foolishly, granted them their demands, and now they say: Why, you did it; therefore it is right for us to do it. They did not make that argument when they were appealing to the country.

Mr. PELLETIER: Perhaps my hon. friend will appreciate the argument put in a somewhat different form, that this Bill applies to a particular case which my hon. friend has declared to be good for all cases.

Mr. OLIVER: At the time the Companies Act was passed, it was the mind of Parliament—of our friends who sat on this side of the House as well as of those who sat on the other. I never heard my

hon. friend from Portage la Prairie, who was in the House two years ago, objecting to the provisions of the Companies Act.

Mr. MEIGHEN: The Companies Act was not passed then. The Act that was passed was the special Act of the late Government granting the special powers of this company.

Mr. LEMIEUX: It was private legislation.

Mr. EMMERSON: Was it a Government Bill?

Mr. OLIVER: It was private legislation to which my hon. friend did not object.

Mr. MEIGHEN: We are not objecting now.

Mr. OLIVER: No, certainly not. We will deal with that in a few minutes. My hon. friend cannot escape from his responsibility because of action taken by a previous Government, which was the mind of Parliament at that time, and for which the Opposition of that time must share the responsibility with the Government; because it must be remembered that members of Parliament are to answer to their constituents for what they say and do in regard to all measures that come before the House. It is not enough to say that the Government did so and so; the question is: what did you do? If the Opposition supported the Companies Act as it was passed, then members of the Opposition are in no position to criticise the Government for having been a party to the passing of that Act.

My hon. friend drew special attention to the position of the Government in passing an Act two years ago to increase the capital stock of the Richelieu and Ontario Navigation Company. He said that what we did two years ago we were wishing to undo now; and that properly we ought to try to repeal the Act of two years ago.

Mr. MEIGHEN: The hon. gentleman is mistaken. The Act of two years ago is the Act which enabled this particular company to purchase shares in any other concern doing a like business.

Mr. OLIVER: Precisely so. My hon. friend suggests that if we wish to take a logical position upon this Act, we should ask for the repeal of that Act of two years ago. When that matter was brought into Parliament as a private Bill, it received the assent of Parliament, of my hon. friend as well as of other members, on the representation, if representation was made at all, on the understanding precisely that has been put before this House at this present time, that the money to be raised by the increase of the stock would be used in expanding the legitimate business of the company.

Mr. MEIGHEN: Why pass clause 10 of the Act?

Mr. OLIVER: I am stating my case just now. When the Bill was passed by Parliament, it was in the belief that the money would be used for the expansion of the transportation business of the company.

Mr. MEIGHEN: Why pass clause 10?

Mr. OLIVER: Never mind clause 10.

Mr. MEIGHEN: Because it is distinctly against that.

Mr. OLIVER: Never mind whether clause 10 was passed or not. The understanding of Parliament in regard to that Bill was exactly the understanding that has been given to Parliament to-day by the promoters of the present Bill, but the understanding was not made good; the money that Parliament authorized the company to raise by an increase of stock was used, in part at any rate, for the purpose of restricting competition and not for the purpose of expanding transportation facilities.

Mr. MEIGHEN: Under clause 10.

Mr. LESPERANCE: In what way did the company use its capital in the past to restrict competition?

Mr. OLIVER: To merge companies.

Mr. LESPERANCE: Were they competitive companies, or simply companies to extend the line?

Mr. OLIVER: I understand they were competitive companies.

Some hon. MEMBERS: They were not.

Mr. OLIVER: Admitting for the sake of argument that they were not. The point is that other companies were acquired by this company after that legislation was passed, and that the present position in regard to matters of transportation on the great lakes is inimical to the best interests of this country. It is because of what has taken place since the legislation of 1911 was passed, that we urge so strongly that provision be made in this Bill that the money that the company is empowered to raise shall be used for the purpose of transportation and not for the establishment of monopolies. I think that is a sufficient answer to my hon. friend from Portage la Prairie as to the consistency of action of members of the then Government, who were parties to the authorization of that increase of capital, and who are now opposing this increase of capitalization. At any rate it is the answer I am satisfied to stand by. If we

had known then what we know now, we would have done then what we want to do now, but which our hon. friends will not have done.

Mr. MEIGHEN: I would ask my hon. friend, after reading clause 10, to state whether the Richelieu and Ontario Navigation Company could have done anything else under that clause than it has done?

Mr. OLIVER: This is not the court in which my hon. friend generally practices, and he will have to pardon me if I continue my remarks. In regard to the establishment of mergers, my hon. friend stated that during the last five years mergers have been established under the regime of the late Government, and that the tariff to-day is the tariff of the late Government. That is true, but my hon. friend is not fair when he suggests that the present tariff is the tariff that would have existed to-day had the late Government remained in office. My hon. friend knows that the late Government went out of office on the question of reducing that tariff.

Some hon. MEMBERS: Question.

Mr. LESPERANCE: I think we are getting rather far away from the Richelieu and Ontario Navigation Company.

The CHAIRMAN: I think the hon. member is departing from the matter under discussion.

Mr. OLIVER: I was replying to what the hon. member for Portage la Prairie had said, as some of the remarks he made were decidedly unfair, and it was merely a courtesy on my part to make the necessary explanation.

Mr. MEIGHEN: Tell us what merger you were after on the reciprocity question.

Mr. OLIVER: We were after every merger that had to do particularly with the food of the people; the food trusts were the interests particularly attacked by the reciprocity arrangement. I was very much struck with the strong assertion on the part of the hon. member for Portage la Prairie, and also the hon. member for Calgary, regarding the necessity of regulating these combinations and this melon cutting now under consideration in this House. They gave excellent reasons why something should be done and how it should be done; the only trouble with these two hon. gentlemen is that they talk one way and vote the other. They tell the people of the country that they are sympathetic with them; that these mergers and this issue of watered stock should not be permitted, but they always vote against the public when the occasion arises. I think that on this question hon. gentlemen will have some difficulty in explaining how their speeches, eloquent though they are, logical though they may be, will comport with the vote they give on the other side. As to the pertinence of this question, let me read an article from the Montreal Daily Herald of February 10, showing how closely this particular organization is associated with the transportation interests that are of first and highest importance to the constituencies represented by the hon. member for Calgary, the hon. member for Portage la Prairie, and myself:

It is perhaps too early to predict regarding the outcome of the season 1913, but there seems little doubt that steamship owners themselves are looking forward to several years of good business. The volume of freight moved on the Great Lakes in 1912 was the greatest in the history of the trade, and no season ever closed with better prospects for its successor.

They had quite a whack at the northwest farmer last summer, and this summer they will have even a better one than before!

There was a movement of 45,000,000 tons of ore on the upper lakes laste season; the coming summer, it is expected, this will reach 50,000,000 tons. From the standpoint of grain cargoes, 1913 is likely to rival that of 1912, which was an exceptionally good year.

For the transportation companies, but not for the farmer.

The stocks of grain at Fort William and Port Arthur at the present time aggregate 22,174,630 bushels, compared with 17,746,459 bushels at the same time last year. By the time navigation opens, the stock of grain will, of course, have very materially increased.

Our friends are already sharpening their knives; they see the carcass there, and they are going to cut to the bone!

There is always the possibility that the Interlake and the St. Lawrence companies may be gobbled up by the R. and O. merger. The two, possessing some very fine boats, would be an excellent complement of the other, which is particularly strong in the matter of passenger boats. But whether anything develops along that line or not, the outlook for the securities of all three would appear most promising.

Especially if the Bill now before the House goes through in its present form.

Mr. LEMIEUX: Would the hon. member for Charlevoix tell the House what companies are to be absorbed in this merger?

Sir RODOLPHE FORGET: None whatever.

Mr. OLIVER: If my hon. friend assures the House personally that there will be no obsorption of other companies, what can be his objection to saying so in the first clause of the Bill?

Section agreed to.

Bill reported.

Mr. SPEAKER: When shall this Bill be read the third time?

Some hon. MEMBERS: At the next sitting of the House.

Some hon. MEMBERS: Now.

Mr. SPEAKER. At the next sitting of the House.

Mr. PELLETIER: There are no amendments, and that being so I understand that the Bill may pass.

Mr. SPEAKER: If there are no amendments to a Bill, the usual custom is to pass it; but the rule provides that it is read the third time 'when the House determines.' So that, if objection is taken, it is usual to hold it over.

Bill stands for third reading.

NEW WESTMINSTER HARBOUR COMMISSIONERS.

House again in Committee on Bill No. 55, to incorporate the New Westminster Harbour Commissioners.—Mr. Taylor.

On the preamble:

Mr. McKENZIE: Is this to be a free port?

Mr. TAYLOR : This has been a harbour for fifty years.

Mr. McKENZIE: Very often when a harbour is organized and put under control of a commission, fees are charged. After this harbour has been organized and put under a commission will it continue to be a free port?

Mr. TAYLOR : I did not understand or catch the hon. gentleman's first question. It is intended, as provided in this Bill, that the usual fees shall be charged at this harbour.

Mr. McKENZIE: There are no usual fees; every harbour has its own fees.

Mr. TAYLOR: If the hon. member is so precise, I shall say the customary fees.

Mr. McKENZIE: There are no customary fees. Every harbour is a law unto itself, so far as its fees are concerned. They are usually so much a ton on shipping, and if my hon. friend will be more precise and say what the tonnage charge will be—

Mr. TAYLOR: The hon. member is only trifling with the committee. No one on earth can tell what the fees in such a harbour will be.

Mr. OLIVER: Mr. Chairman, I ask your ruling if the hon. member is in order in saying that an hon. member is trifling with the committee?

Mr. McKENZIE: My hon. friend may think himself parliamentary, and it does not disturb me whether he is or not, but it is important for the shipping of this country to know what the rates of that port are going to be. I think it quite proper that I should ask at this stage how the rates are to be taxed and shipping is to be regulated. It is a matter for the Minister of Marine to deal with. This Bill has gone through this committee in a very slipshod way, and I charge the Minister of Marine and Fisheries with giving it very little attention. It is a very important Bill dealing with an important harbour on the western coast, and when I ask a question as to what the rates on shipping will be I am told by the gentleman promoting the Bill that I am trifling with the committee. The men who go into that port with their ships and who will have to pay so much a ton according to the whim and caprice of this board will not think it is trifling with the committee to ask for this information before the Bill goes through. It is not a slight matter to create a close corporation and give them power to deal as they please with the shipping on the Pacific coast. The hon. member who is promoting the Bill thinks he has a monopoly on this House and on this committee and that any one who interferes with his high and mighty proclivities is trifling with the committee. I am not of those whom he can wipe aside so simply as that.

Mr. TAYLOR: I am sorry that the hon. member takes my answer in that way. I did not attempt to take the role of a chucker-out in this Parliament, but he must see it is impossible for any person to tell off-hand what the harbour rates will be in any harbour because these rates will be a very long schedule, perhaps it would take an hour to read them and no person could answer off-hand a question like that, not even the harbour-master of any harbour. This Bill is in all respects the same as a long series of harbour bills already passed by this House. It follows their wording in every particular. The control of the harbour is to be in three commissioners, two of whom will be appointed by the Government and one by the corporation principally concerned and they will fix the harbour rates. Of course, if they fixed them unreasonably, they would discourage trade to their harbour, and their object is to cause traffic to come to the harbour, not to get the harbour tolls but to get trade. So, I think we can take it for granted that ordinary business sense will compel the governing board of the harbour to make their tolls just as attractive as it is possible to make them, and just as low

as it is possible to make them. The Harbour Board would make the tolls but I think hon. gentlemen will see that if they made them excessive they would simply drive trade to other harbours, and so defeat their own ends which is to make their harbour popular.

Mr. McKENZIE: Now that the responsible head of the Marine Department is in his seat, I wish to call to his notice the fact that in connection with the organized harbours of this country, such as St. John, Halifax, Sydney, North Sydney and other harbours which are controlled by commissioners, there is a cry coming from the ship owners that the harbour dues are very high, and are a tax upon the shipping of this country. With this new organization about to be created in what I regard as a very important port, of a very important province, I think it would be only right for the Minister of Marine and Fisheries to make that port free if possible. I think it is the popular idea to-day, that we should have free ports in Canada; at all events, the minister should see to it that the dues upon shipping in the harbour of New Westminster are very small. I do not think I am out of place, coming as I do from a marine part of the country, and knowing the feelings of mariners, in calling the attention of the Minister of Marine and Fisheries to the fact that the interests of shipping and ship owners should be safeguarded as far as possible, and that it should not be left to town councillors or city councillors, who as a rule know very little about the interests of shipping, to make regulations and fix harbour dues without their being at least subject to the approval of the Department of Marine and Fisheries.

Mr. TAYLOR: If the hon. gentleman will read the section which has just been passed, he will see that the tolls are to be imposed by by-law, and that:

No by-law shall have force or effect until confirmed by the Governor in Council and published in the Canada Gazette, and every such by-law shall, at least ten days before it is submitted to the Governor in Council, be served upon the city clerk of New Westminster.

So that the tolls are made absolutely subject to inspection by the Governor in Council by the section which we have just adopted.

Mr. EMMERSON: There was some discussion when this Bill was up on a former occasion as to the boundaries of the harbour. Were the boundaries ever setteld?

Mr. TAYLOR: Yes, that was the amendment proposed to section 4. I may say that in conformity with that, when we reach the next Bill, I propose to amend the corresponding section there, so as to make the boundaries fit.

Bill reported.

NORTH FRASER HARBOUR COMMISSIONERS.

House in Committee on Bill No. 59, to incorporate North Fraser Harbour Commissioners. Mr. Deputy Speaker in the Chair.

On section 4—harbour limits defined:

Mr. TAYLOR: With the permission of the committee, I would like to strike out the amendments proposed by the Private Bills Committee, and leave this section as it appears in the Bill, because it corresponds exactly with the amendment we have just made in the other Bill.

Section agreed to.

On section 6—appointment of commissioners:

Mr. TAYLOR: This section was held over to provide for an amendment suggested by the hon. member for Guysborough (Mr. Sinclair), I propose that the following be added as sub-section 4:

In default of appointment of a commissioner by the said municipalities within thirty days of the publication in the Canada Gazette of the names of the commissioners appointed by the Governor General in Council, the Governor General in Council may appoint the third commissioner also; and any person so appointed shall hold office in all respects as the person in whose place he was appointed would have held it.

Section, so amended, agreed to.

On section 15—profits of operation to belong to city:

Mr. TAYLOR: This section stood over for the same reason. The hon. member for St. John (Mr. Pugsley) suggested that at the commencement of section 15 there should be added the words: 'subject to the limitations contained in section 12 of this Act.' Then, Mr. Chairman, I would ask you to go back to section 12 to add at the end of the section the words: 'or the right to enter upon or deal with any property of the Crown except when by Order in Council authorized to do so.' These two amendments must be read together. I move their adoption.

Amendment agreed to.

Mr. OLIVER: Has the Minister of Marine followed these amendments?

Mr. HAZEN: Yes.

Section as amended agreed to.

On section 19—borrowing powers:

Mr. TAYLOR: The hon. member for St. John suggested to insert after the word 'har-

bour' in the sixth line, the words: 'and subject to the approval of the Governor General in Council first obtained.' I move that that amendment be adopted.

Amendment agreed to.

Section as amended agreed to.

Bill reported.

ALBERTA RAILWAY AND IRRIGATION COMPANY.

House in Committee on Bill No. 38, respecting the Alberta Railway and Irrigation Company.—Mr. Buchanan.

(Mr. Deputy Speaker in the Chair.)

On the preamble:

Mr. OLIVER: This Bill seems to provide for a number of branches. Has the location of these branches been considered fully in the Railway Committee?

Mr. LANCASTER: Yes. The committee spent a great deal of time on the Bill and heard everything that could be said, and the committee were unanimously of the opinion that the Bill as drawn by the promoters was in the best interests of the country. There are three amendments to be added to the Bill for the protection of provincial rights, in regard to water-powers, and the model clauses as to highways and generating electricity.

Bill reported, read the third time and passed.

OTTAWA NORTHERN AND WESTERN RAILWAY.

House in Committee on Bill No. 49, respecting the Ottawa Northern and Western Railway Company.—Mr. Fripp.

(Mr. Deputy Speaker in the Chair.)

Mr. OLIVER: Are we to understand that these clauses that are being added to these Bills are exactly those which have been adopted in the Railway Committee and are in accordance with certain fixed principles?

Mr. LANCASTER: Yes, they are the standard or model clauses. They are modified in the last two Bills. The companies referred to in these Bills originally had provincial charters. So we say that so far as they had that power they shall have exercise of it except thus and so. That makes them, to all intents and purposes, the standard clauses.

Bill reported, read the third time and passed.

COLLINGWOOD SOUTHERN RAILWAY COMPANY.

House in Committee on Bill No. 64, respecting the Collingwood Southern Railway Company.—Mr. Currie.

(Mr. Deputy Speaker in the Chair.)

Mr. LANCASTER: There are four sections here, the first one being necessary because this company had rights in respect of water-powers that are not in accord with our present policy. We have to repeal that, then we enact the other three.

Bill reported, read the third time and passed.

BRAZILIAN TRACTION, LIGHT AND POWER COMPANY.

House in Committee on Bill No. 63, respecting Brazilian Traction, Light and Power Company, Limited.—Mr. Macdonell.

(Mr. Deputy Speaker in the Chair.)

Mr. EMMERSON: This is one of a number of Bills on the Order Paper which in my judgement are examples of very objectionable legislation. I took occasion before the Railway Committee to call attention of that committee to one of these Bills. The Bill under consideration seeks to give the Brazilian Traction, Light and Power Company, Limited, a company that was incorporated under the Companies Act, certain powers with a view to carrying on certain works in Brazil. I do not know why it is that these companies first apply to the Secretary of State seeking incorporation there, and then come before Parliament asking additional powers. I am bound to say that in the past we have acceeded to the application of three or four different companies of this kind within the past five or six years. But on every such occasion I have persistently raised a protest against such procedure. In the first place, why is it that they take that course? Why is it that they go first to the Secretary of State and get their corporate powers, and then come to the Parliament of Canada and seek for certain other powers? A great many say, 'Oh, they cannot get such powers to carry on railway operations in these foreign countries.' Well, in the first place, they cannot get powers from this Parliament to carry on railway operations except as that power is given them by the foreign country in which they seek to operate. This Bill says:

> Subject to the laws in force in the republic of Brazil and with such legislative, governmental, municipal or other authority, concession license or consent as is necessary, the Brazilian Traction Light and Power Company, Limited, hereinafter called the Company, may within the republic of Brazil, survey, lay out, construct, complete, equip, maintain, and operate——

—certain railways. Now, we had considerable discussion with respect to banks; we have had considerable discussion with

respect to the financial affairs of this country, the lack of funds, the use of funds of banks, trust companies and other financial institutions in a way that is detrimental to the business interests of this country. Now, by this instrument an opportunity is afforded to certain gentlemen who have a corporate existence to float bonds, to issue stocks, to issue share warrants, and generally to do a stock jobbing business in Canada in respect of works that are to be constructed and operated, in this instance, in Brazil, in other instances in Mexico, in other instances in the United States—in Louisiana—and there is one, I think, that will come up for the consideration of this committee wherein it is proposed to construct works in Spain.

Mr. LANCASTER: The Mexican Bill was last year.

Mr. EMMERSON: Yes, there was one last year, and in the previous years there have been such Bills; and in the past, when such Bills have been under consideration, I have opposed them. I took objection to the one that was discussed the other day when I was present. The hon. senior member for Ottawa (Mr. Fripp) took occasion to animadvert upon the Bill of the New Orleans and Grand Isle Traction, Light and Power Company. He took very strong ground and gave cogent reasons why the committee should not proceed. The committee did not take action and the Bill stood over. I had hoped to be present at the committee last week, but was obliged to be out of the city, and I could not, when the Bill was reached, take exception. This kind of legislation is wrong in principle. It is wrong, first of all, because of its inconvenience. A company is brought into existence in the office of the Secretary of State, with certain limited powers. Then it is wafted over to this Parliament, perhaps at a subsequent session, or it may have been incorporated since the commencement of the session. Its promoters come here and seek additional powers. That cannot be, surely, with a view to the avoidance of the fees. Is it because they get all the powers they require, or many powers they might not get here?—they can get almost anything from the Secretary of State offices; that is my experience and observation in past years, and I venture to think the same continues to-day. I take exception to this legislation for the reasons which I have stated, and also for many other reasons. One very strong reason is that the public have the right to have all the corporate powers and authority given to a company centralized in one place. If the creation of a company has been had in the Secretary of State's office, and then supplemented here in Parliament, you must go and search the Secretary of State's office for the powers given there and then come and search the statutes of Canada for what additional powers we have given it in this Parliament. I ask if there is a single member of this committee who has any knowledge of the powers that have been granted this company by the Secretary of State.

Mr. LANCASTER: That was discussed in Committee. They are all set forth in the marginal note.

Mr. EMMERSON: I submit that nothing is to be found in the Bill to indicate what the powers of this company are. They ask for certain additional powers which they admittedly could not get from the Secretary of State; they ask for powers to build railways and tramways, telegraph and telephone lines, and acquire properties of other companies——

Mr. LANCASTER: Subject to the laws of the country.

Mr. EMMERSON: Precisely so; but where is it stated in this Bill that they have any powers except those granted by the Bill?

Mr. LANCASTER: The Railway Committee looked into the matter very carefully, and the preamble sets forth that the company is incorporated by letters patent under the Companies Act, etc. These letters patent were explained before the Railway Committee, and the members of the committee, in view of the fact that a marginal note was inserted referring to the Canada Gazette of 13th July, 1912, which defines just what those powers are, were unanimous in the opinion that the extent of these powers could easily be ascertained. The matter resolved itself into the question as to whether we as a legislative committee of this House should give to this company power to build a railway in Brazil subject to the laws of that country. A foreign country would not allow them to build a railway because they are incorporated in a British country without specific power to build a railway anywhere, and they therefore, ask this Parliament to give them power, subject to the laws of the country concerned, to build a railway as set forth in the Bill.

Mr. EMMERSON: I am speaking not merely of the Railway Committee as it is now constituted, but of the committee as it has been constituted for the past six or seven years. I have stated that this is objectionable legislation. We are ratifying the existence of a body corporate created under the general laws of Canada through the medium of the Secretary of State, and we are giving to that corporate body the power to build a railway in Brazil. Where do you find in the Bill any evidence of the amount of the capital that has been subscribed or is required to be subscribed, or

of the powers to issue bonds, or anything of the kind? My hon. friend the Chairman of the Railway Committee states that they had the original letters patent before the Committee. We have not got them now before us, and they have not been embodied in the Bill. There might be no objection to the Bill if the preamble set forth all that the letters patent contained, so that everyone could appreciate the powers conferred upon the company. But there are no statements that throw any light upon it, and we are asked to give a corporation power to go into Brazil and construct a railway, providing they can get enough people in Canada or Great Britain to subscribe stock and purchase bonds.

Mr. LANCASTER: There is not a word about that in the Bill.

Mr. EMMERSON: That is true, and I am objecting to the Bill because of that very fact. Who is to exploit this stock? Who is to exploit these bonds? The authority of the Parliament of Canada is proposed to be given to this company for the purposes set forth, without one jot or tittle of evidence as to the capitalization or the amount of bonds proposed to be issued. Every other Bill coming before the Railway Committee is scrutinized closely as to the amount of securities the company is authorized to issue, and with respect to the capitalization of the company that proposes to construct the line of railway in Canada.

Mr. LANCASTER: How could the committee scrutinize these matters in regard to Mexico, for instance?

Mr. EMMERSON: We have no power of restriction with respect to Mexico; let these gentlemen go to Mexco and get their legislation. The truth of the matter is that they want to have the authority of the Parliament of Canada in order to exploit the financial markets of this country and of Great Britain. This legislation in my judgment, does not amount to a hill of beans, only in so far as the wrong impression it has created is concerned. What powers can we give them with respect to the construction of telegraph and telephone lines, railways and tramways, in Brazil? We cannot do it; they have to get the power from the legislative authorities of that country.

Mr. LANCASTER: Possibly my hon. friend misapprehends the Bill, or perhaps, I did not explain it at sufficient length. The letters patent distinctly state the company cannot build a railway. The object of the Railway Committe has not been to give them power, but to remove what creates a false and fictitious impression in that country. In these letters patent the world has noticed that this company cannot build a railway; and then the company ask us to say that as far as we are concerned, as long as they comply with the laws of that country, they can build a railway.

Mr. EMMERSON: I appreciate what my hon. friend has said, but I say that this gives them no powers which they can exercise there unless they get power from the legislative authorities of Brazil to do all this work. They do not need to come to this Parliament for these powers and a false impression is created by their doing so. If that be the case why did they go the office of the Secretary of State in the first instance? It is not treating the Parliament of Canada with proper respect and is only making use of the Department of the Secretary of State, and of the Parliament of Canada for purposes that are not in the interests of the people of Canada and that may prove detrimental to the interests. We have had in the past the Mexican Light, Heat and Power and other companies, but the fact that we have had that fashionable legislation is no reason why we should send out a deluge of like legislation at this time. These Bills do not come all from the same source, it must be for a purpose and for the purpose is not a good one; otherwise they would come originally to the Parliament of Canada as do other companies with relation to railways.

Mr. SINCLAIR: I would ask the promoter why the company has taken this circuitous route of going to the Secretary of State first, instead of coming to Parliament to have the charter amended?

Mr. MACDONELL: The Bill stands in my name, and in that way I suppose I am promoting it; but if hon. gentlemen had attended the meetings of the Railway Committee when this was discussed they would have obtained all this information given at that meetiing. This Bill asks the Government to give the company the power of operating railways in the Republic of Brazil. This company was incorporated under our Companies Act in the usual way. For reasons best known to themselves the company decided that they would like to operate railways in addition to their general powers under the Companies Act. The Companies Act confers no power to operate a railway and therefore as this is a Canadian corporation the only place where the company can obtain railway power is from this Parliament. They ask to be given power to build and operate railways in the Republic of Brazil, always subject to the laws of Brazil and whatever rights they are given here give them no rights in Brazil. But this is a Canadian company and it is on the lines of other Bills that have gone through this Parliament on a good many occasions. Similar Bills went through the House while Mr. Emmerson was Minister of Railways. By chapter 153 of the statutes of 1903 Parliament incorporated the Mexican Light and Power Company. By chapter 119 of the statutes of 1904 Parliament incorporated the Rio De Janeiro Tramways, Light and Power Company, Limited; by chapter 126 of the statutes of 1905 Parliament incorporated the Monterey Railway

Light and Power Company, Limited. By chapter 50 of the statutes of 1909 Parliament incorporated the Brazilian Electric Steel and Smelting Company, Limited, by chapter 110 of the statutes of 1909, the Mexico Northwestern Railway Company, Limited; by chapter 59 of the statutes of 1912 the Alabama Traction, Light and Power Company, Limited; by chapter 65 of the statutes of 1912, the Barcelona Traction, Light and Power Company, Limited; by chapter 117 of the statutes of 1912, the Mexican Interurban Electric Traction Company, Limited; by chapter 118 of the statutes of 1912 the Mexican Northwestern Transportation Company, Limited. Was the hon. member for Westmorland Minister of Railways in 1905?

Mr. EMMERSON: Yes.

Mr. SINCLAIR: Did all of these companies start by getting a charter from the Secretary of State and then coming to Parliament?

Mr. MACDONELL: That is my belief.

Mr. OLIVER: In what way is that statement of fact an answer to the objections raised by my hon. friend from Westmorland?

Mr. MACDONELL: I leave that to the sense of the Committee which is very evident on that point. Let me follow this matter to the end. Here is a Canadian corporation operating in a foreign country. There is no objection to that; our Companies Act recognizes that right and gives companies power to do so always subject to the laws of that country. Bear in mind that every incorporated company which operates under the general Companies Act is incorporated and operates under the authority of this Parliament just as much as it would under a special Act. In addition to the powers which the general Companies Act gives to every company that chooses to pay its money, they are asking in this case, as in prior cases, to have super-added to the general powers the power to operate a railway in a foreign country, subject always to the laws of that country. Now if Canadian capitalists, men of enterprise in this country, choose to embark in an enterprise in a foreign country, and to use their money for that purpose, it is their own affair. Any individual can do it in his individual capacity; any hon. gentleman in this House or out of it can embark in any enterprise in any foreign country, so long as the laws of that country are recognized That is the power that is being asked for in this Bill. They are not jeopardizing the good name or the money of this country. The enterprises which have been incorporated in the past have been uniformly successful as business enterprises. I believe that not only have they been profitable to those who own and operate them, but they have been of use and service to the country in which they have operated. Some of them have developed from small beginnings in those countries into very large and influential public service corporations. Canadian enterprise is identified with those concerns, and money has been made for those who put their investments into them. As a member of this House I see no reason why this legislation should be restricted. To my mind there is nothing in it that in any way interferes with any man's rights or with the rights of this country, and as a promoter of the Bill I ask the Committee to adopt it in view of what I have said and of the precedents which this Bill is following.

Mr. EMMERSON: My hon. friend has not even touched the question I have raised. It is all very well to say that some time when I was Minister of Railways similar legislation went through. I know that the Rio Grande and the two first companies mentioned went through previous to my day as minister. I know that some other companies from that time to this have gone through. I have invariably opposed them. I must repudiate the idea that because private legislation happened to go through at a time when I was Minister of Railways, or when I was supporting the late Government, that is an answer to objectionable legislation introduced now. I do not hold Governments responsible for private legislation in this House.

Mr. LANCASTER: Does it not show that the legislation is not objectionable?

Mr. EMMERSON: To say that because similar legislation went through at a time when another government was in power, or when I happened to be a member of that Government, or a supporter of it, is no answer to any objections that I raise with respect to this legislation. As minister I have sat in the Railway Committee and opposed legislation with respect to private Bills, which notwithstanding, have gone through. I do not hold the Minister of Railways responsible for every piece of legislation that goes through that committee. I conceive this to be wrong legislation. I have no exception to take to the granting of powers by this Parliament to a company to go to Mexico or to Brazil or to Spain or anywhere else to carry on business. But I do object to the circumlocution of the legislation, to a company going to one branch of the Government of Canada and getting powers, and then coming to this Parliament and getting supplementary powers. I would ask my hon. friend to tell us now what the capitalization of this company is and what bond issue it is authorized to make?

Mr. LANCASTER: As a railway?

Mr. EMMERSON: In connection with the company?

Mr. LANCASTER: That has to be settled by the country to which it is going, Brazil. We do not undertake to settle that.

Mr. EMMERSON: I do not conceive that my hon. friend, even though he is chairman of the Railway Committee, is serious in giving that answer.

Mr. LANCASTER: Tell us what your objection is.

Mr. EMMERSON: If we give a company corporate existence, surely we fix somewhere its capitalization. It will not go to the legislature or Parliament of Brazil to have its capitalization fixed.

Mr. LANCASTER: As to the railway. If you read the Bill you will see.

Mr. EMMERSON: I submit that this Parliament must do it. This Parliament, giving this company a corporate existence, must have its capitalization and its powers in respect to the isssue of bonds fixed. The Parliament of Brazil will have nothing to do with that. The Parliament of Brazil will have the right to say where they shall construct the railway and upon what terms they may construct it; but so far as the internal affairs of this corporation is concerned, the Parliament of Brazil will not be asked in the first instance to regulate them, and it will not attempt to regulate them in any respect whatever. I have no objection to companies incorporated in Canada operating in foreign countries, not the slightest. It is the form of legislation to which I take exception, and I think my exception is well founded. It is no answer to say we have something similar before. I have been consistent in that; I have uniformly taken exception to it, and I take exception now, not because my hon. friends are sitting on the treasury benches for they have nothing whatever to do with it. But I invite their attention to it.

Mr. LANCASTER: Would the hon. gentleman, for our future guidance in dealing with Bills of this kind, suggest what form such legislation should take? If he is not satisfied with this form, what form would suit him?

Mr. EMMERSON: I object to promoters of such legislation rushing to the Department of State and getting a charter there, and then coming here and having powers conferred upon them by Parliament.

Mr. LANCASTER: What is the evil?

Mr. EMMERSON: One objection is, that all this circumlocution is gone through with a view to stock jobbing. Another point is, that those who become interested in the company should not have to search in the records of the State Department and in the statutes for the powers conferred on a company.

Bill reported.

EBRO IRRIGATION AND POWER COMPANY.

House in Committee on Bill No. 69, respecting Ebro Irrigation and Power Company, Limited.—Mr. Ross.

Mr. EMMERSON: This Bill is subject to the same objection as the last Bill. I protest against the character of this legislation.

On section 2—issue of share warrants:

Mr. EMMERSON: What are the securities which this company is allowed to issue?

Mr. LANCASTER: I really do not know.

Mr. EMMERSON: The member in charge of the Bill should be able to give explanation.

Mr. LANCASTER: The member in charge of the Bill is Mr. Ross of Middlesex.

Mr. ARMSTRONG (East Lambton): He is on your own side.

Mr. EMMERSON: I do not look to see from which side of the House private legislation comes when I want to take objection to it in the public interest. I think that is a very uncalled for remark.

Mr. LANCASTER: That whole thing was explained in the Railway Committee. I do not remember what the capitalization of the company is. We have a marginal note here in the Bill to say the company was incorporated on the 16th of September, 1911, by letters patent.

Mr. EMMERSON: The responsibilities of the Chairman of the Railway Company are very onerous and I do not expect that he would be able to keep all these details in mind, but the gentleman who is promoting the Bill ought to be in a position to give the information to the House.

Mr. LANCASTER: The Railway Committee thought the legislation could not do any harm in Canada and it might strengthen the ability of these people to develop their business in a foreign country. Section 8 of this Bill is an additional clause, by which we allow them for good cause shown to increase the number of directors to not more than twenty; that clause is not in the other Bill.

Mr. OLIVER: What objection would there be to having the legislation before

the House contain the full particulars of the rights granted the company?

Mr. LANCASTER: Do you mean by the letters patent as well as by this Bill?

Mr. OLIVER: Yes.

Mr. LANCASTER: That could be done, but it would make a very long Bill. We say in the preamble that the company is incorporated by the Companies Act, and then we give the reference, namely the Canada Gazette of the 16th September, 1911. The moment you look at that reference you would naturally refer to the Companies Act. It would be too cumbersome to recite it all in the Bill.

Mr. OLIVER: I think it would be more convenient for all parties concerned if the full powers of the company were stated in the one Act.

Mr. MACDONELL: I sympathize with that view, and I agree that it is better for the company, as well as for all parties concerned if you could have all the powers of the company in the one document, so that it might be easily accessible. But where a company is incorporated under a general Act, it has all the powers of the general Act, some two hundred or more sections; and if you are going to print or publish anywhere the powers of the company that it has under the general Act, you would have to practically reprint as a special Act the entire general Companies' Act. That would be almost impossible, as the hon. member can easily see.

Mr. COCHRANE: The hon. member who is promoting this Bill just came into the House, and when he found out what it was, he ran out. I think the Bill had better stand.

Progress reported.

NEW ORLEANS AND GRAND ISLE TRACTION, LIGHT AND POWER COMPANY.

House in Committee on Bill No. 11, respecting the New Orleans and Grand Isle Traction, Light and Power Company, Limited, and to change its name to New Orleans and Grand Isle Railway, Light and Power Company, Limited.—Mr. Macdonell.

On section 1—name changed:

Mr. MACDONELL: The hon. member for Westmorland has asked a question, which is reasonable, as to the amount of capital and as to the bond issue. I am unable to give him that information offhand; but if the hon. member would permit the Bill to go through the Committee, I will procure the information for him and for the Committee, if necessary, before the Bill is read a third time or otherwise proceeded with. I should like to get the Bill advanced.

Mr. EMMERSON: I wish to have the information with respect to the matter. I think it is but due to this Committee that other members should have it as well.

Mr. MACDONELL: That material was all before the Committee; but unfortunately the hon. member for Westmorland was not there. If I had the information here, I would gladly give it. I will give it to the Committee on the third reading, and also any other information asked for.

Mr. OLIVER: My hon. friend from Toronto (Mr. Macdonell) said that if we were to give the particulars of the powers of the company as contained in the Joint Stock Companies Act, we would add very greatly to the length of the Bill, as there were some couple of hundred of sections in that Act. Is this the position; that, by incorporation under the Joint Stock Companies Act, a company gets powers that it would not get by incorporation as a railway company following the lines of the railway company's model Act; then having got these powers under the Joint Stock Companies Act, it comes to Parliament and gets supplementary powers as a railway company, thereby getting a number of powers by using first the Joint Stock Companies Act and then the legislation of Parliament, which powers it would not get if it came straight to Parliament as a railway company?

Mr. LANCASTER: No.

Mr. OLIVER: As there are over two hundred clauses in the Joint Stock Companies Act, it would be strange if some of those clauses do not contain provisions that are different from the powers contained in an ordinary railway charter. I think that is a point very well worthy of consideration.

Mr. LANCASTER: They are all powers that will follow as a matter of course in a railway charter; they are not powers that we set out in any railway Act, but by virtue of the granting Act of the general railway Act, which of course is read with every special Act, the special Act would work out all those powers the hon. gentleman speaks of.

Mr OLIVER: Would it not be better to give these people a general Act that would cover the powers they have under the Joint Stock Companies Act, and let us have it all before us in the statutes? It need not be a copy of the general Stock Companies Act, but it might be a railway companies' Act, just the same as any other railway companies' Act. We would then have the matter before us, and it would not very

seriously increase the labour of printing or make the Act more cumbersome.

Mr. LANCASTER: It would be a distinction without a difference, because here we are simply dealing with something they have already got in this company a year ago. We have never yet in this country embarked on a policy of cancelling letters patent in an Act. I do not say that it could not be done, but it would be a new departure entirely. We have thought it better to refer to the letters patent, showing that we know they are before us, and we add so much to them. That is the custom in this country and in Great Britain.

Mr. OLIVER: I desire to strongly express myself in favour of the principle as suggested by the hon. member for Westmorland that the Act should contain full particulars of the powers of the company at one place on the statutes.

Mr. SINCLAIR: The difficulty could very easily be got over by reciting the few essential matters that everybody wants to know, such as the business the company intends to carry on, the amount of capital, the amount of bond issue and matters of that nature. The other sections of the Joint Stock Companies Act could be made to apply generally by simply referring to them afterwards. I think it would be better legislation and more easily understood. We have not been able yet to understand the reason why the people who are asking for this legislation did not come straight to Parliament, although there certainly must be some reason. Companies which intend to act out of Canada, usually take this course of going to the Secretary of State to obtain letters patent, and then come to Parliament to have amendments made. I have not the slightest objection to that course; but I think the Chairman of the committee, or some other gentleman who is familiar with these questions, could tell the House why these companies do not take the course that Canadian railway companies take of getting their legislation direct from Parliament.

Mr. LANCASTER: The Railway Committee understood the matter in this way, that the company had apparently no intention of building a railway when they took out the letters patent. They were incorporated mainly for light, heat and power purposes. When they came to do business in that country, they found they could do it very much better if they also had a railway. That was the way they explained the matter to the Railway Committee. Their letters patent distinctly say that they cannot build a railway; it is notice to the world that, although they can do the other things, they must not build a railway. Therefore they ask us by a subsequent Act for the power to build a railway.

Mr. SINCLAIR: Does my hon. friend approve of this method of incorporating a Canadian railway company?

Mr. LANCASTER: No, certainly not; but we are not intending to do any harm to any Canadian interests, because we say: you can do it subject to the laws of that country and in that country only. We are removing the embargo; and if the company can get permission in New Orleans or Brazil to build that railway, they can do it.

Section agreed to.

On the preamble:

Mr. EMMERSON: Will the hon. gentleman furnish the information with respect to the capitalization of the Brazilian Traction Bill?

Mr. MACDONELL: Yes.

Bill reported.

HULL ELECTRIC COMPANY.

House in Committee on Bill No. 56, respecting the Hull Electric Company.—Mr. Devlin.

On section 1:

Mr. LANCASTER: This is a body incorporated under Quebec provincial authority for a good many other purposes than that of operating a railway. But the Railway Committee thought it had no right to give the company incorporation here, and allow them to exercise powers under a Dominion charter at the expense of provincial rights, except so far as their railway is concerned. Therefore we struck out the words works and undertaking so that it applies only to the railway of the company and not to its other works, the railway being declared to be a work for the general advantage of Canada. The same amendment will be necessary in section 3.

On section 3:

Mr. LANCASTER: The clerk called my attention to the fact that in the hurry of signing this Bill I had not initialed the exclusion of the words 'and undertaking.' To make it regular I formally move that these words be struck out.

Amendment agreed to.

Section as amended agreed to.

Mr. BORDEN: I would call the attention of my hon. friends opposite to the fact that this Bill seems to be a good deal more like a merger than that of the Richelieu and Ontario Navigation Company.

Mr. OLIVER: But this line is not transporting Western wheat.

Mr. LANCASTER: The Bill is promoted by a different member.

Bill reported.

PACIFIC AND HUDSON BAY RAILWAY COMPANY.

On the motion for second reading of Bill No. 113, respecting the Pacific and Hudson Bay Railway Company.—Mr. Clements.

Mr. LEMIEUX: I do not know whether the promoter of this Bill is in the House, but I would like to obtain some information in regard to it.

Mr. STEVENS: I think I am correct in saying it is the usual application to Parliament for an extension of time.

Mr. LEMIEUX: I have no objection to urge against the Bill, but I may say that some years ago there was in London a syndicate exploiting a charter which ran under this or some similar name. I remember having read quite an extensive correspondence which was exchanged between the editor of Truth and Lord Strathcona. The company placed some stock on the London market, and succeeded in obtaining quite a sum of money on the strength of the claim that the Government of Canada had guaranteed the bonds. I would ask whether this is the same company as the one to which I refer.

Mr. STEVENS: The company my hon. friend refers to was the Hudson Bay, Peace River and Pacific Railway, but the one to which this Bill pertains is an entirely different company.

Motion agreed to, and Bill read the second time.

SECOND READINGS.

Bill No. 96, respecting the Canadian Northern Railway Company.—Mr. Sharpe (Lisgar).

Bill No. 105, respecting the Canadian Northern Ontario Railway Company.—Mr. Currie.

Bill No. 106, respecting Patents of the Johnston Harvester Company.—Mr. Macdonell.

Bill No. 107, to incorporate the Manitoba-Ontario Railway Company.—Mr. Carrick.

Bill No. 109, respecting the British Columbia and White River Railway Company.—Mr. Bristol.

Bill No. 112, respecting the North Empire Fire Insurance Company.—Mr. Turriff.

QUESTIONS.

(Questions answered orally are indicated by an asterisk.)

Mr. BORDEN.

SHEDIAC FISHERY OVERSEER.

Mr. EMMERSON:

1. Who is the fishery overseer in the parish of Shediac, county of Westmorland, New Brunswick, when was he appointed, and at what salary, whom did he succeed in the office, and was his predecessor dismissed from office? If so, for what cause and when?

2. Have any fines been imposed and collected by the present incumbent of the office for violations of the fishery laws and regulations since the present incumbent took office? If so, what are the names and residences respectively of the parties so fined to date, what was the amount of the fine imposed in each case, and for what particular violation? Were they collected in full, or if not, what proportion was paid; are any fines remaining uncollected? If so, whose?

3. To whom were such fines, if collected, paid, and what was the final disposition of such fines so collected and paid? How is the fund, if any, created as a result of such fines, disposed of or expended?

Mr. HAZEN:

1. Siffroid Vinneau; June 5, 1912; $120 per annum. He succeeded P. P. Gallant, who was dismissed for offensive political partisanship.

2. Yes. Joseph D. Gallant, Shediac Bridge; fine $15, for illegal net fishing.

Jude M. Doiron, Dupuis Corner; fine $10, for leaving stakes in river.

Pierro Thibideau, Richibucto post office; fine $10, for leaving stakes in river.

Siffroid Cormier, Glade Settlement; fine $5, for illegal smelt fishing.

Hugh Cormier, Glade Settlement; fine $5, for illegal smelt fishing.

Raymond Cormier, Glade Settlement; fine $5, for illegal smelt fishing.

George Gallant, Richibucto; fine $10 for illegal smelt fishing.

Fine paid in each case.

3. To Officer Vinneau. Half the amount in each instance was paid the complainant. The other half was deposited to the credit of the Receiver General, and would go into consolidated revenue.

IMMIGRATION REGULATIONS.

Mr. LEMIEUX:

1. Has the Government received a copy of the following report adopted by the Chamber of Commerce of Montreal:—

The humble petition of the Council of the Chamber of Commerce of the district of Montreal respectfully represents:

1. That for some years back immigration to Canada has considerably increased.

2. That Canada has every interest in receiving only subjects worthy of participating with her own inhabitants in all the rights and privileges accorded by the constitution;

3. That the business men of Canada are especially interested in seeing that the im-

migrants afford all necessary guarantees in relation to business;

4. That under the present system of immigration and naturalization strangers come into the country under any name whatever and take another or other names when they commence business;

5. That the business men have no means of protecting themselves against these abuses of changing of names, which frequently engender considerable frauds to the detriment of trade;

6. That often civil rights are accorded to a stranger without any precautions being taken to know whether or not the requirements of the law have been fulfilled;

7. That strangers have usurped the rights of British subjects without having fulfilled the condition of three years' residence in Canada;

Wherefore the Council of the Chamber of Commerce of the district of Montreal humbly requests the Right Hon. R. L. Borden, Prime Minister of Canada, and his honourable colleagues, to amend the immigration and Naturalization Acts so as to require:

(a) That each immigrant must produce, on coming into the country, a card of identification and his passport, signed by the authorities of the place whence he comes, and bearing his name, given names, age, profession, nationality, the name of the port of embarkation and the name of the company that brought him, as well as a description of the bearer of the card.

(b) That the said card and said passport be entered verbatim in the registers of the immigration officers, on his coming into Canada, and that then and there an identification card be given to the stranger by the Canadian authorities; the latter card being an exact copy of the one entered in the register of the immigration office.

(c) That the stranger who desires to do business in Canada shall again present this card when registering his business place, thus giving his real name, with his firm name: that the same card be required in the case of real estate transactions;

(d) That to obtain his naturalization papers the stranger shall present his identification card to establish that he has been three years in the country;

(e) That he apply in person for naturalization and that he produce a certificate of two British subjects attesting to the good character of the applicant;

(f) That a severe penalty be imposed for all violations of the law in this regard.

And that justice may be done.

The Chamber of Commerce of the district of Montreal.

The whole respectfully submitted.

N. PERODEAU,
Chairman of the Council.

2. What position does the Government purpose taking in regard to this question?

Mr. BORDEN:

1. Yes. The report has been received since the question was asked.

2. The subject is under the consideration of the Minister of the Interior.

EMPLOYMENT OF H. A. BAYFIELD AND MURDOCK YOUNG.

Mr. TURRIFF:

1. Did the Minister of Public Works cause an investigation to be made into the accusation made by the member for New Westminster against H. A. Bayfield, the officer in charge of the dredge on the coast of British Columbia, during the summer of 1912? If so, what was the result of the investigation?

2. Was an investigation held by Mr. Wilson, assistant accountant of the Department in the New Westminster office, into the charges made by Mr. W. J. Boyd, against the captain of the snag-boat Sampson, Captain Murdock Young? If so, what was the result of the investigation?

3. Was a subsequent investigation held by Mr. W. N. Bole, K.C., into the charges made against Captain Murdock Young of the snag-boat Sampson?

4. Did Mr. J. D. Taylor, the member for New Westminster, maintain that Mr. W. J. Boyd was discharged from the service of the department, or from his position on the snag-boat Sampson?

5. Was Mr. W. J. Boyd so discharged?

6. What was the finding in the first investigation on the charges made against Mr. H. A. Bayfield?

7. What was the finding in the investigation held by Mr. Wilson?

8. What was the finding in the investigation held by Mr. W. N. Bole, K.C.?

Mr. ROGERS:

1. Yes Mr. Bayfield was dismissed.

2. Yes. Mr. Wilson held a perfunctory investigation, and reported that he could find no dishonesty, but that a system of accounting for supplies should be introduced. Subsequently, at the investigation by Mr. Bole, Mr. Wilson testified that he had relied on the statements made to him by Captain Young and Mr. Philpot, both of whom admitted on oath that they knew of disappearance of supplies at the time of the investigation by Mr. Wilson, but did not give him the information.

3. Yes; the investigation on oath just referred to. The charges were not specifically against any person; the request being for investigation under oath into all circumstances connected with the dismissal of Mate Boyd.

4. Yes.

5. Yes; this was the finding by Mr. Commissioner Bole, on the evidence taken before him.

6 to 8. No action was taken by the department on the findings of the first investigations; but when without authority from the department, Mate Boyd was dismissed for giving information on which the department had proceeded, a thorough investigation on oath was ordered; with the result that Superintendent Bayfield, Captain Young, Wharfinger Philpot and Foreman Lovering were found blameworthy and were dismissed.

KENTVILLE PUBLIC BUILDING.

Mr. CHISHOLM (Antigonish):

1. Who are the occupants of the various rooms in the public building at Kentville, N.S.?
2. For what purposes are said rooms in said building occupied?
3. Is any rent received or been arranged for from any person or persons for the use or rent of any rooms in said building?

Mr. ROGERS:

1 and 2. J. B. Lyons, Post Office; F. C. Band, Customs; John Redden, Finance; C. R. Bill, Inland Revenue.
3. No.

PACIFIC COAST FISHERY PROTECTION.

Mr. SINCLAIR:

1. Have any new vessels been added to the fishery protection service of the Pacific coast during the year 1912?
2. If so, what is the name, cost, tonnage and place where constructed?
3. Were any United States poachers seized by any of the patrol ships of the Government, operating in Pacific waters, during the year 1912?
4. If so, how many, and what are the names of the vessels?

Mr. HAZEN:

1. No new vessels have been added to the Fishery Protection Service of the Pacific coast during the year 1912, but four vessels have been chartered for temporary service at various times during the year, and the steamer Newington has been transferred from the Buoy Service to the Fishery Protection Service.
2. Names: William Jolliffe, Naiad, Gunhild, Newington, Grainer. Cost, tonnage and place where constructed not on file in the department.
3. Yes.
4. Two. Thelma and Bonita.

CABLE RATES.

*Mr. WILCOX:

What is the reduction in cable rates which resulted from the conferences held last summer between the British Postmaster General and the Postmaster General of Canada, and the managers of the cable companies?

Mr. PELLETIER: On the 1st December, 1911, the cable rates were, without exception, twenty-five cents a word. There were no rates for deferred cablegrams, nor for night messages nor for week end letters. Since then the following progress has been made: From the 11th December, to tne 1st January, 1913, the rates in force have been as follows: Ordinary rate, 25c. per word; deferred rate, 12½c. per word, delivery within 24 hours; cable letters, $1.50 for the first 20 words or less, 30c. for each additional five words or less, delivery the second day after; week-end letters, $1.50 for the first thirty words, plus 25c. for each additional five words or less, delivery Tuesday. The further reduction in rates resulting from the conferences mentioned in the question is as follows: Press rates: prior to October, 1912, rate 10c. a word. Present rates: ordinary rate, 7c. a word. Between midnight and 6 a.m., or between 1 p.m. and 4 p.m., 5c. a word.

FRENCH-CANADIAN REPATRIATION.

Mr. PAQUET:

1. How many French-Canadians have been repatriated in the last two fiscal years by Mr. Charbonneau, repatriation agent at Biddeford, Maine?
2. How many French-Canadians have been repatriated by Mr. A. Gingras, repatriation agent at Providence, Rhode Island, during the last two fiscal years?

Mr. ROCHE:

1. There is no complete record of actual arrivals. Mr. Charbonneau issued certificates for settlers' rates on Canadian railroads to 348 persons in 1910-11, 100 of whom used these certificates; and to 225 persons in 1911-12, 64 of whom used their certificates.
2. Mr. Gingras issused certificates to 177 persons in 1910-11, 35 of whom used them, and to 267 persons in 1911-12, 67 of whom used them.

ONTARIO AND QUEBEC FARM HANDS.

Mr. PAQUET:

1. How many farm hands have been placed in the province of Ontario and Quebec respectively, since the 1st of April, 1908?
2. What is the number recruited by each agent and the commission paid to each of them?

Mr. ROCHE:

As this will require considerable time in preparation it should be asked for as a return.

COLONIZATION AND IMMIGRATION SOCIETIES.

Mr. PAQUET:

1. What are the societies of colonization and immigration who receive subsidies from the federal Government, and what is the amount received by each of these societies?
2. How many immigrants have been examined during the last fiscal year at Halifax, St. John, N.B., Quebec and Montreal?

Mr. ROCHE:

1. Ottawa Valley Immigration Aid Society $2,500, Women's National Immigration Society, Montreal, $2,000.
2. At Halifax, 34,874, destined to Canada and 3,996 to the United States; at St. John, 25,772 for Canada, and 1,954 for the States; at Quebec, 125,950 for Canada and 15,530 for the States. There is no examination at Montreal.

COLE HARBOUR WHARF.

Mr. SINCLAIR:

1. Why was not the proposed public wharf at Cole Harbour, Guysborough county, N.S., provided for in the estimates of the late Administration and revoted last year, been built?
2. When will this wharf be built?
3. On which side of the harbour has it been located?

Mr. ROGERS:

1. Owing to pressure of work in the Antigonish office, contract plan and specification for proposed wharf at Cole Harbour were not prepared until November 28.
2. As there is an item in the estimates for the next fiscal year, the wharf will be built when title is obtained for the land required for approach.
3. On the west side of the harbour.

MAGDALEN ISLANDS WIRELESS LETTER.

*Mr. VERVILLE:

1. Who writes the weekly letter, addressed under the direction of the Postmaster General, to the Magdalen Islands?
2. What salary is paid to the writer of this letter?
3. How many letters have been addressed by this writer since the close of navigation?
4. Who receives these letters at the Magdalen Islands?
5. Are these letters given or sold by the person who receives them at the islands?

Mr. PELLETIER:

1. A weekly news letter of about 1,000 words is prepared at Ottawa by J. E. Laforce and transmitted by the Marconi Company from Pictou, N.S., to the Magdalen Islands every Monday.
2. Five dollars per week.
3. One letter was sent weekly since the beginning of December, 1912.
4. The Marconigrams are delivered to J. A. Arseneau, who prepares typewritten copies and distributes same to the clergymen of the islands, who take measures to render the same public.
5. No charge is made to the people of the islands for these despatches.

YARMOUTH DREDGING.

Mr. LAW:

1. What amount has been expended for dredging in the harbour of Yarmouth, N.S., from October 1, 1911, to December 31, 1912?
2. What amount has been expended for the removal of Sollows Rock shoal from October 1, 1911, to December 31, 1912?

Mr. ROGERS:

1. $37,558.45, including $25,269.33 for work done in August and September, but paid in October, 1911.
2. $9,781.86.

YARMOUTH POST OFFICE.

Mr. LAW:

1. Is it the intention of the Minister of Public Works to have a sum placed in the Supplementary Estimates for the enlargement of the present post office at Yarmouth, N.S.?
2. Have there been any negotiations with the Department of Public Works in reference to the disposal of the building purchased by the late Government to enlarge the facilities of the present post office at Yarmouth, N.S., and for the erecting of a new building for post office purposes elsewhere?

Mr. ROGERS:

1. Information will be given when the estimates are brought down.
2. No.

FAIRVILLE POST OFFICE.

Mr. PUGSLEY:

1. Was Mr. E. Bettison appointed inspector or clerk of works of the post office building at Fairville, N.B.? If so, when?
2. Is the said Mr. Bettison still drawing his pay as clerk of works or inspector?
3. Did Contractor Corbett complete the contract for the erection of such building on May 1, 1912, as required by the contract? If not, what is the cause of this delay?
4. Does the contract make provisions for a penalty to be paid by the contractor for delay in completion of the said work?
5. If Mr. Bettison is still being paid, how much longer is it anticipated that he will be kept on as such inspector?
6. What salary or wages are being paid to such inspector?
7. When is it expected that the post office will be opened for the use of the public?
8. Has it been determined who is to be the postmaster to have charge of the post office in said new building? If so, who is to be such postmaster?

Mr. ROGERS:

1. Yes, appointed November 25 to take charge December 1, 1911.
2. Yes.
3. No, the date of completion was August 18, 1912.
4. No.
5. The caretaker having accepted the position (to-day, February 10), the clerk of works will be discharged. His services were retained, pending the construction of a retaining wall, the installation of an electric tower clock and the placing of the electric light fixtures.
6. $4 per day.
7. Immediately.
8. No.

PROFESSOR BARNES' EXPERIMENTS.

Mr. MURPHY:

1. Is it the intention of the Government to continue the experiments heretofore carried on by Professor H. T. Barnes, of McGill University, in the gulf and river St. Lawrence for the purpose of securing accurate

temperature maps of these national waterways?

2. If so, will an appropriation be made for the purpose at this session of Parliament?

Mr. HAZEN:

1. It is the intention of the Department of Marine and Fisheries to assist Dr. Barnes during the coming season in the same manner as on former occasions.

2. No special appropriation is necessary.

INTEREST ON PRE-EMPTION PAYMENTS.

Mr. BUCHANAN:

1. Is the Government aware that the late Minister of the Interior is said to have declared in a speech at Regina, in the summer of 1912, that he was going to abolish the interest on payments on lands secured under pre-emption?

2. Is it the intention of the Government to abolish the interest on lands secured under pre-emption?

Mr. ROCHE:

1. Government is not aware that the late Minister of the Interior made any such statement.

2. Not decided.

ST. PETER'S BAY WHARF.

Mr. HUGHES (Kings, P.E.I.):

1. Has a contract been entered into for the reconstruction of a wharf at the head of St. Peter's Bay, P.E.I.? If so, with whom has the contract been made, and for what amount? How many were received, from whom, and what was the amount of each tender?

2. Were tenders called for the construction of this work?

Mr. ROGERS:

1. (a) Yes; (b) The Annandale Lumber Company, for $3,993.

2. (a) Yes; (b) five: Annandale Lumber Company, Limited, $3,933; The Island Dredging and Construction Company, Limited, $4,567; Andrew Martin, $5,250; H. D. McEwen, K. Coffin, K. A. Webster, $5,990; R. W. McEwen, William Sutherland, $6,999.

D. G. S. EARL GREY.

Mr. HUGHES (Kings):

What is the nominal and indicated horsepower of the D. G. S. Earl Grey?

Mr. HAZEN: Nominal horse-power, 800; indicated horse-power, 6,500.

CANADIAN AGENT AT ANTWERP.

Mr. VERVILLE:

1. What is the official title of Mr. Treau de Coeli, Canadian agent at Antwerp, Belgium?

2. To what branch of the service of the Canadian Government does he belong, and who pays his salary?

Mr. MURPHY.

3. Of what do his functions consist?

4. How much has he received for the year from 31st March, 1911, to the 31st March, 1912?

5. How many Belgians have come to Canada during that period?

6. How many Belgians have come to Canada since the 1st April, 1912, up to the 1st February, 1913?

Mr. ROCHE:

1. Canadian Information Agent.

2. Immigration Branch, Department of the Interior. Salary paid by Immigration Branch, through the office of J. Obed Smith, London, England.

3. The giving of information and advice to the emigrating classes and others in Belgium regarding Canada, and the advantages of settling in this country.

4. Salary, $1,600; office expenses, $3,465.12; total, $5,065.12.

5. 1,601.

6. April 1, 1912, to December 31, 1912, 1,306. January, 1913, returns not yet complete.

MAISONNEUVE ELECTION SUIT.

Mr. VERVILLE:

1. Who were the advocates employed by the Government in the suit brought against Albert Gingras, returning officer of the county of Maisonneuve, in the Federal Election of 1911?

2. What is the amount of fees received by each?

3. What is the amount disbursed by the Government in this case?

Mr. DOHERTY:

1. Advocates employed by the Government: N. K. Laflamme, K.C., C. A. Pariseault.

2. Fees paid to each: N. K. Laflamme, $649.50; C. A. Pariseault, $621.10.

3. Amount disbursed by Auditor General's office: fees of advocates as above, $1,270.60; travelling expenses of Audit office officials, $201.95. Total, $1,472.55.

FIGHTING ISLAND FISHING RIGHTS.

Mr. McCOIG:

Referring to the answer of the hon. the Minister of Marine and Fesheries on page 2802 of unrevised 'Hansard,' what report did the arbitrators make as to the annual value of the fishing rights of Charles H. Gauthier on Fighting Island, in the Detroit river?

Mr. HAZEN: Messrs. Albert T. Healey and Alfred Miers signed an instrument, professing to award C. W. Gauthier $2,401.90 for certain fishing gear and buildings, and $9,990 per annum, for the relinquishment of certain alleged rights and privileges under a license of occupation from the province of Ontario, during the unexpired period of said license, which was granted on February 15, 1909, and was

How many men in the employment of the Department of Public Works have been dismissed in the county of Rimouski since September 21, 1911, and what are their names?

In the answer given by the Minister of Public Works to the above question, I am made responsible for the dismissal of Achille Durette, who was dismissed by the Liberals. That man was dispensed with previous to September 21, 1911. I am quite ready to take the responsibility for any dismissals made at my suggestion, but I object to being made responsible for any others.

In connection with another enquiry for returns, dated January 14, 1913, asking that there be laid on the Table of the House a list of the messengers of the House of Commons, with the date of appointment in each case.

Mr. SPEAKER: Has the hon. member risen to a question of privilege? A debate on any subject at this stage would not be permitted, and I wish the hon. member would be good enough to state whether he has risen to a question of privilege.

Mr. BOULAY: I think I am in order in saying what I am saying.

Mr. SPEAKER: I want to know whether the hon. member is rising to a question of privilege or whether he is asking a question.

Mr. BOULAY: It is a question of privilege.

Mr. SPEAKER: Will the hon. member be good enough to state the question of privilege to which he has risen?

Mr. BOULAY: (Translation.) It has reference to a return giving the names of the messengers of the House of Commons. I find that the list with which I have been supplied is inaccurate; for instance, the names of some of the messengers are missing. I see no reason for leaving out their names. Now, Mr. Patry, who has been a permanent messenger for a great many years is not mentioned in that list. Elsewhere the name of Coffin is included, and he is represented as having been appointed on the 15th of November 1911, while as a matter of fact he has been here since January 23, 1912 only.

Mr. SPEAKER: I understand that the hon. member is criticising a return which was brought down. It is not permissable to do so at this stage or by that means. He may put a notice of motion on the Order Paper to bring it up, but it is not proper to bring up in this way.

LENGTHY ANSWERS TO QUESTIONS.

Mr. GAUVREAU: Last week the Minister of Railways laid on the table an answer to the hon. member for Westmorland (Mr. Emmerson) about collecting agents on the Intercolonial railway. I do not see that report printed in 'Hansard.' I would like to have a decision on the point whether this report should be printed in 'Hansard.'

Mr. COCHRANE: I answered the question as fully as it was possible to do.

Mr. GAUVREAU: The minister is not in fault.

Mr. SPEAKER: I understand that the usual custom is not to print in full answers which contain lengthy statements or elaborate tables of figures. In such cases a copy is sent to the hon. member who asks the question, and unless the Printing Committee in their judgment think it desirable that such answers should be printed as returns they are not printed.

Mr. GAUVREAU: How are the public to know about that public document? I want it to be printed in 'Hansard,' if possible.

Mr. SPEAKER: Unless I am mistaken it is not customary to print such answers.

Sir WILFRID LAURIER: I am afraid there is a misunderstanding somewhere. I think it has been the rule that the answers to all questions are printed in 'Hansard.' Such an answer is in response to a question put by a member.

Mr. GAUVREAU: This is a very interesting document, and we want it.

Mr. BORDEN: I have always understood that the answers, whether long or short, were printed in 'Hansard.'

Mr. SPEAKER: I am informed it has not been the custom where answers are long and contain a great many figures to print them in 'Hansard.'

Mr. BORDEN: I was not aware of that.

Mr. BUREAU: What is the rule?

Sir WILFRID LAURIER: The rule is that they should be printed. We shall probably have a large surplus this year, and surely we can afford to print them.

Mr. SPEAKER: Of course, it must be understood that I am only the servant of the House, and I am quite willing that anything should be done that the House decides or determines; but I am endeavouring to carry out the rules and customs which I found in practice at the time I took the Chair, and I know that in many of these cases they have not been printed, because I have had occasion to look over them—that is, where they were very lengthy.

Mr. BORDEN: There is, of course, not the slightest reflection on your honour. I merely said it had been my understanding that the answers to questions were always printed, because they formed part of 'Hansard,' and I was not aware that any different practice had ever prevailed. If there

has been a different practice perhaps it would be as well for the officers of the House to reconsider that practice. An answer to a question should in the ordinary course form part of 'Hansard.' Up to the time that we adopted the written answers to questions the answers were printed as part of 'Hansard.' A question is asked and an answer is given in the House as part of the proceedings of the House. I cannot see that the new practice of written answers would alter that in any respect. I was a member of the committee on the amendment of the rules which brought that change about, and I do not think it was in the minds of any of that committee or of the House that any such change should be made.

Mr. EMMERSON: I put the question. My hon. friend the Minister of Railways and Canals answered it in writing. A portion of it was printed in 'Hansard,' but the remainder was not. He has sent me a copy of his answer. That does not satisfy, I think, the rules of the House. Of course, the minister is not to blame.

Mr. GAUVREAU: I wanted this document; I have been obliged to go to the clerk and translate it myself. I do not think that is fair.

Mr. SPEAKER: I understand that it is the rule, but a rule which has not been observed by any means in the past, but since it is apparently the express desire of the House, and I frankly concur in it, believing it to be right myself, I shall see that they are printed in future.

NAVAL FORCES OF THE EMPIRE.

Consideration of the proposed motion of Mr. Borden for the second reading of and concurrence in the resolution reported from the Committee of the Whole for increasing the effective naval forces of the Empire, and the proposed amendment of Sir Wilfrid Laurier thereto, resumed from February 7.

Hon. RODOLPHE LEMIEUX (Rouville): Mr. Speaker, I feel that I need make no apology for the stand I intend to take on this measure, which I consider the most important that has come before the Canadian Parliament since Confederation. As my hon. friend from Sunbury and Queens (Mr. McLean) prefaced his remarks on Friday evening by stating that he was approaching this question as an ardent imperialist, I will preface mine with the statement that it is as an ardent Canadian that I speak, and it is because I am an ardent Canadian that I am imbued with that sane imperialism so well described by Lord Rosebery. A man who serves Canada serves in my judgment the British Empire. If I were an enemy of the British Empire I would raise both hands in favour of the proposition which is now before the House. Sir, it may be that the Canadian people will once pay tribute to the Mother Country, it may be that they will pay it twice, but do you not think that if the tie is strained too much, the breaking of the tie may ensue?

Mr. SCHAFFNER: No danger; nonsense.

Mr. LEMIEUX: With the resolution, if carried, dawns at once the first glimmerings of a new system in our relations with the Mother Country. The resolution passed unanimously by this House in March, 1909, should have been the bond to hold all Canadians together in matters of naval defence. The Government, however, has receded from that position. The moorings of the much-vaunted Canadian navy have been cut, and we are now told that as a substitute, we must pawn three dreadnoughts so as to secure our loyalty to the Mother Country. As a Canadian, as a free British subject, I oppose that policy, and I oppose it unalterably.

I approach this question with some diffidence, with some reluctance. I feel that, belonging to the minority in this House and in this country, I am handicapped in treating such a question. However, truth must prevail, and let me say at once, speaking as a member belonging to the minority, that the French-Canadians fully realize the rights, the privileges and the franchises which they enjoy so freely under the British flag, and as a consequence they honour the flag that honours its obligations. Sir, it is no secret—it is obvious to everyone, and I am pleased to state it before the House and before the country—that no element of this heterogeneous nation is more interested in maintaining unimpaired the British tie than the French-Canadian minority. We know the history of this country, and we realize that no minority under any regime in any other part of the world enjoys so many rights or so much freedom, as the French-Canadians enjoy in this Dominion of ours. We owe this to the bounty of the Motherland, to the generosity, the liberality of the British Crown. We know, Sir, what happened in Louisiana after its annexation to the United States; we know also that at the time the Quebec Act was passed by the Imperial Parliament, the American colonists stated as one of their grievances against the Mother Country the very fact that the Imperial Parliament had passed the Quebec Act, which conferred rights, privileges and liberties upon the new subjects of the King. Therefore, we are British subjects, we are proud to be British subjects, but at the same time we are sensitive to any change that may be brought about. There are no annexationists in the province

of Quebec and there are no separatists either.

Let me recall an incident which happened a few years ago. One of our late governors, speaking to one of the most distinguished prelates of French Canada, was extolling the advantages of Imperialism and was urging him to lend his influence in favour of that cause. The prelate answered: 'My lord, we are so happy as we are that the suggestion that any change which may be brought about makes us nervous.' That is the actual state of mind of every French Canadian in Quebec. The French Canadians speak their own language, they maintain their own national traditions, but at the same time they are imbued with the idea that the British form of government is the best, and that British institutions as they are applied to themselves should not be altered. They know the strength of responsible government, the great conquest of the nineteenth century; they respect British traditions, and it is because this responsible government is a binding force as between the component parts of the Empire that they object so strenuously to the change that underlies the present proposal of the Government. The question, as I said a moment ago, is a most important one, fraught with difficulties and dangers. There are more salient facts and dates, in the history of Canada, but no question is more important than the one now submitted to the House, and our hon. friends on the other side must not be surprised if we on this side, before coming to an issue, discuss it on all its phases.

We are, so to speak, at the turning point of our history. We have to take a step forward or a step backward. Need I say that I was shocked to hear the right hon. the Prime Minister, when introducing the resolution in this House state that in his judgment, not in twenty-five years—nay, not in fifty years even—would Canada be in a position to have a navy of her own. The words of the Prime Minister, in my estimation, will cost to Canada's prestige more than the $35,000,000 which are offered by this resolution. I was surprised and shocked also to hear my genial friend the Minister of Marine and Fisheries (Mr. Hazen), who is at the head of the naval service, declare that our men could not serve in the Canadian navy—that it would take years for Canadians to become fully equipped for that service. I confess that I was not surprised, however, to hear my hon. friend the Postmaster General (Mr. Pelletier) state that it would be cheaper to hire men, to hire Hessians as of old, because, forsooth, Canada could not afford to pay so much for the services of her blue jackets. He belittled the issue; shall I say that he reduced it to his own size? My hon. friend reminds me of that famous conventionnel, l'Abbé Sieyes, who had passed through the horrors of the French revolution, who had sat at the convention, who had voted the death penalty to King Louis XVI, and who had been a witness to all the turmoil of those tragic days. When the Empire had capped the climax of the French revolution, he was asked: 'Monsieur l'Abbé, what have you done during all this time?' and he answered: 'J'al vécu' —'I have lived.' I am asking myself if the hon. gentleman, who probably has played more the part of a Robespierre or a Marat in guillotining the Grits since he has been in office—if he has ever lived, as l'Abbé Sieyes had lived during the revolution. Has he read the history of Canada? Has he read the history of Canada for twenty-five years? The way in which he has discussed this question, the manner in which he has approached it, and the importance which he has attached to it, make me believe that he has not lived or read the history of the country during the last twenty years. If he had read the history of his country, he would know that there are more acute problems than that of paying fifty cents a day for a blue jacket. Reverting to the past, he might have read that Canada settled on a permanent basis the question of responsible government, and that Confederation was accomplished by the man whom he claims as his ancestor, and I pity the shades of Cartier for that. He would thus have learned that during the last twenty-five years Canada had emerged from a Crown colony to a leading dominion among the allied nations which to-day form the British Empire, and that Canada made rich and prosperous thanks to a Laurier administration, it is not a paltry and picayune question of twenty-five cents a day, more or less, which counts in the solution of a problem such as the one which faces us at the present time.

Sir, the genesis of this hybrid policy is the divergent views held by the members of this Government. We all know—you, Mr. Speaker, better than anyone else, because from this very seat which I now occupy, during twenty-five years you followed political events in Canada; you watched from here the great naval debate in 1909, and you remember that when the Minister of Trade and Commerce (Mr. Foster) introduced his famous resolution on the 29th of March in that year, it was at the time of the famous German scare. There was then a real emergency; the people of Canada, the people of the whole British Empire, believed there was an emergency; and yet the Prime Minister of to-day and his friend the Minister of Trade and Commerce

refused to be stampeded by that scare, ignored that emergency, and fought valiantly and nobly in favour of a Canadian navy as against a policy of tribute. To our surprise, this year, the Government have submitted this policy of tributes, because, forsooth, they have discovered an emergency. Nobody in England dreams of an emergency; nobody here thinks there is an emergency; yet the Government choose to say that an emergency there is—or, rather, that there was one; because since Christmas the much-dreaded emergency, like old furniture of the Jacobite period and old Sheffield plate, is relegated to the antiquarian shop. We have not for some weeks past heard much of the emergency. The Minister of Trade and Commerce, who is a pathfinder, has discovered that there was the word 'need' in the resolution of March, 1909, and he now clings desperately to that word, and spells it out—n-e-e-d. Yes, Sir, there is a 'need.' How and whence did that need arise? Sir, it arose from purely political exigencies; it arose as the result of the sordid compromise between the high jingoes and the extreme Nationalists. Oh, no, not all the Nationalists, but the weak-k-n-e-e-d Nationalists, the faint-hearted, the patronage-hunters, the office-seekers; those who appeared in Drummond-Arthabaska 'tragedianti,' and who to-day stand behind the Postmaster General 'comedianti.'

I must do the Postmaster General the justice of saying that he is learned in law and in constitutional history. He will not of course admit it openly, but I know that in his heart of hearts, he will admit that the present combination in this Cabinet is the greatest living constitutional scandal that has ever dishonoured a British Parliament. Mr. Speaker, when have you ever seen men united together in one Cabinet yet holding on the most important political question of the day absolutely divergent views? You have seen George Brown united with Sir John Macdonald; they were united on Confederation, which was the big issue of the day, and when Confederation was accomplished George Brown returned to the fold of the Reform party and headed the Liberal forces. You have seen in England, Mr. Chamberlain, a radical of radicals in the early eighties joining the Tory forces against the Home Rule Bill. In both cases it was an honourable alliance. Chamberlain fought for what he thought were the best interests of the United Kingdom when he joined the ranks of the Unionist party; he allied himself with Lord Salisbury, Mr. Balfour, and others on that great issue. They had held divergent views on other questions, but these other vanished before that one. Home Rule in the case of Mr. Chamberlain, Confederation in the case of George Brown, justified their alliance with their opponents. But, Sir, in the present instance, I repeat, it is a scandal against British parliamentary institutions to see ministers of the Crown united in a Cabinet when we know that they hold radically divergent views on the all absorbing question of the day. Hon. gentlemen will remember what Lord Melbourne once said to his colleagues: 'Gentlemen, it dosen't matter what views we hold, but, mind, we must hold the same views before the public.' Sir, you have in this Government the Royalists and the Republicans, and my right hon. friend the Prime Minister reminds me of Mirabeau coquetting with the Royalists and flirting with the Republicans. You have a combination of Guelphs and Ghibellines, of Lancasters and Yorks, a most unholy alliance indeed. It reminds me of the composite nature of Lord Chatham's administration as described by Burke in one of his great speeches; and let me read it to you, Mr. Speaker; as it will perhaps refresh your classic memory. Burke, speaking of Chatham's administration, said:

> He made an administration, so checkered and speckled; he put together a piece of joinery, so crossly indented and whimsically dovetailed; a cabinet so variously inlaid; such a piece of diversified mosaic; such a tesselated pavement without cement; here a bit of black stone, and there a bit of white; patriots and courtiers, King's friends and republicans, Whigs and Tories; treacherous friends and enemies; that it was indeed a very curious show; but utterly unsafe to touch and insure to stand.

That the members of this Cabinet hold divergent views on the naval question is self-evident. Shall I refer to what I heard, to what I read, to what the people of the province of Quebec heard and read, during the memorable campaign of 1911? Sir, if I did not blush for my province, I would read long extracts from speeches delivered during that memorable campaign. Suffice it to say, that the hon. gentlemen who represent the Nationalist faction, the weak-kneed Nationalist faction, in the Cabinet, were opposed to any navy, to any tribute, in fact to any policy; but, above all, they said: 'We must have a plebiscite or a referendum.' They declared that on every hustings in the province of Quebec. If I did not blush for my province, I would repeat what the Postmaster General said, what the Secretary of State said, and what the Minister of Inland Revenue said.

Some hon. MEMBERS : Repeat it.

Mr. LEMIEUX : I would repeat what every one of the gentlemen who sit behind the Government benches said before the 21st of September, 1911; but again I feel

that it is a blow to the fair name of the province of Quebec. Let me, however, remind you of one sentence from the speech of the hon. Minister of Trade and Commerce before the Christmas recess. He said: Granted that there are two factions, granted that the Nationalistic faction was opposed to our emergency contribution; but, he triumphantly asked the House, who won at last? Who won? Do you believe that it is the high jingoes who alone won? I say that both factions won; Canada lost.

Under what circumstances did my hon. friend the Prime Minister leave for England during the holidays? You remember his promise made during the dying days of last session—nay, during the dying hours of last session first, that the Naval Act would be repealed; second, that he would go to England and there seek a voice for Canada in the affairs of the Empire. Here again the Prime Minister and his Nationalistic allies were concocting a plan in order to please, if possible, both factions. One of the foremost Nationalists, I should say the foremost Nationalists in Canada, of whom I speak very freely because he has no lost love for me,—I refer to Mr. Bourassa, who sat in this House for several years,—in 1910 put this resolution to a meeting of the electors of St. Eustache. A few weeks ago he stated under his signature that this resolution had been penned, not only by himself, but by the late Minister of Public Works, my friend Mr. Monk, whom I am sorry not to see in the House, by the hon. Minister of Inland Revenue (Mr. Nantel), and several others of the Nationalist allies. Mr. Bourassa moved at that meeting:

> But confident in the greatness and efficiency of the principles of centralization and of autonomy as solemnly proclaimed and recognized since more than half a century by the authorities of Great Britain and those of Canada, we are opposed to any new policy which would entangle us in distant wars, foreign to Canada, so long, especially, as the autonomous colonies of the Empire do not share with the Mother Country upon a footing of equality, the Sovereign authority in matters relating to the Imperial army and navy, treaties of peace and of alliance, foreign relations, the government of India and the possessions of the Crown.

Mr. Bourassa carved out quite a task there for the Prime Minister of Canada; but the Prime Minister of Canada was equal to the task. He accordingly said that he would proceed to England and seek to obtain that voice in the affairs of the British Empire. This is not all. During the last contest, the member who preceded the Minister of Railways and Canals in his constituency, and who is now in the red chamber, invited this same Mr. Bourassa to speak in Northern Ontario, where there is quite a sprinkling of French-Canadian votes. There I saw not later than last fall some of the old badges with the slogan, 'Hurrah for Bourassa and for Borden.' At Sudbury, Mr. Bourassa spoke on the 18th of September, 1911, as follows:

> I say that no government, whether Tory or Liberal, whether headed by an Englishman or by a Frenchman, has the right to come to us and plunge us into a war beyond Canada's border altogether, until Canadian people in Canada have the same voice in the declaration of such wars as have the people of Great Britain.

Mark the language of Mr. Bourassa, practically the same language as that of the right hon. the Prime Minister before leaving for London, England. Mr. Bourassa however is not always a safe customer. He carved this task for the Prime Minister: but as soon as the Prime Minister had left, he took his pen and wrote a very able article in the Canadian Courier destroying the very argument he had adduced in favour of having a voice in the affairs of the Empire. The Prime Minister was gone, and probably he did not read the article, but let me tell him that Mr. Bourassa, who moved that resolution at St. Eustache, who used that language at Sudbury, in an article published in the Canadian Courier, said that this policy was utterly fallacious and impracticable as far as Canada was concerned.

You have here in a nutshell, Sir, the genesis of this emergency contribution. How do I reach this conclusion? It is only too obvious. This policy, as propounded to-day, that we shall have a voice in the affairs of the Empire, pleases the jingoes. My friend, Mr. Denison, of Toronto, has been preaching assiduously for many years to obtain for Canada that voice in the affairs of the Empire. First, it pleases the jingoes and the scaremongers, in so far as it differs from our own policy of a Canadian navy. The appointment of a minister to the Committee of Imperial Defence is supposed to be the first step towards Imperial federation. I can see my hon. friend the member for Argenteuil (Mr. Perley) discussing with the ministers of Great Britain the affairs of the Empire. Surely it must rejoice the heart of the member for Argenteuil to think that he will have his say on the question of Thibet, on the treaties with Abyssinia, on the carving of Persia, and on the war clouds in the Balkans. It placates the Nationalists. How? 'Because it is only a gift of money,' says the Postmaster General, and once for all. You shall never hear of any more contributions.' That is what he says in the province of Quebec. 'No men, mothers and sisters will ever be disembowelled! There will be no navy; and there will be no war; we will get hirelings at twenty-five cents a day to do the job for your husbands and your brothers.'

Mr. Speaker, do you think I exaggerate? Sir, the real culprit, the man who has the sanguinary instincts, according to the Postmaster General, when he addresses the people of Quebec, is my right hon. friend the leader of the Opposition.

Sir, I have here the book of books, L'Evenement, owned and controlled by my hon. friend the Postmaster General. And here in the issue of the 19th of December, 1912, we have the publication in extenso of the fiery jingo speech delivered by the hon. gentleman in this House; it is prefaced by a few lines in which I can detect the fine Italian hand of my hon. friend (Mr. Pelietier). What does he say? Oh, he lays on with a vigorous hand upon those infernal fellows, Laurier, Beland, Bureau, and Lemieux—I was not here at the time as a matter of fact—who we are told, were frothing and foaming under his lash. And let me read you the heading of the speech, translating it exactly: 'Les liberaux veulent l'impôt de guerre et le tribut du sang'—'The Liberals are exacting a war tax and a tribute of blood.' You have here an illustration of what we may expect at the next general election in the province of Quebec, when, frothing and fuming under the lash of the Postmaster General, we shall be scourged. He will declare to the habitants of the province of Quebec: 'Oh, my compatriots, this emergency contribution means nothing. It is only a few dollars; you will never hear any more of it; Ontario will pay for it; the West will pay for it; you will never pay for it; and your sons will not be taken from you, as that infamous Laurier wants to do. No tribute of blood, no war tax, is our policy; no, the lovers will never be snatched away from their belles in dear old Quebec.' Sir, all this is very ingenious, because, as I have stated, it pleases the jingoes and it placates the Nationalists. But, as a matter of fact, no one is deceived; it bears its own condemnation on its face. It is not a Canadian policy; it is not by any means a British policy; it is, at most, a vociferous policy of cheering the pulpit and evading the collection. It is adding $3,000,000 to the load now borne by the British taxpayer for naval defence. We are sending them three empty ships, three phantom ships; we send a cheque, and tell Britain: 'leave us alone.'

We were asked the other evening by my good friend from Sunbury and Queens (Mr. H. H. McLean) to accept the right hon. Premier's word as regards the emergency. In England, he said questions of this kind and importance are above party politics. Naval policy, land defence, foreign policy, in England are fortunately above party politics. There are many ethics we should borrow from the dear old Motherland, the classic land of sound government.

But when my hon. friend begs us to accept the word of the Prime Minister on this policy, has he forgotten the language which that right hon. gentleman used in this House in 1909? When he says we must accept the Prime Minister's word—and as a gentleman speaking of another gentleman, I would, of course, accept his word; at present I speak only of the leader of 'the unholy alliance'—but how can we accept his word? Does the hon. member for Queens and Sunbury imply that we must accept the word of the gentleman who sat on this side of the House, or the word of the right hon. gentleman who now sits on a treasury bench? In 1909, he said:

> But, Sir, from a constitutional and political standpoint, I am opposed to it——

To contributions.

> —for many reasons.

He should never have given the reasons. There are judges in India who never give any reasons in order to avoid the dire consequences of an appeal court:

> In the first place, I do not believe that it would endure. In the second place, it would be a source of friction. It would become a bone of partisan contention. It would be subject to criticism as to the character and the amount of the contribution in both Parliaments. It would not be permanent or continuous. It would conduce, if any thing could conduce, to severing the present connection between Canada and the Empire.

Someone interrupted a moment ago when I prefaced my remarks by stating that straining the silken tie binding the Mother Country to the colonies means perhaps the breaking of that tie. But I have just read the language of the Prime Minister of Canada when he sat on this side of the House. 'It would conduce, if anything could conduce, to severing the present connection between Canada and the Empire.' And yet he is doing that very thing to-day. We are asked to believe the Prime Minister of Canada. I believe the Hon. Mr. Borden when leader of His Majesty's loyal Opposition. I find in his language the very argument, the very logical argument, why I should oppose unalterably the policy which he now presents to the people of Canada. My hon. friend from Queens and Sunbury says that the right hon. gentleman is in good faith, and that we should believe he is in good faith.

As to an emergency, I need not quote what has been so often quoted in this House—the language of Mr. Asquith, the language of Mr. Churchill, of Lord Crewe, of Lord Morley—of any of the leading statesmen of Great Britain who have said, not only on one but on many occasions, that the relations between England and Ger-

many were under very happy auspices, that nothing justified the various scares worked up by the jingoes. On the one hand, we have the language of these statesmen, and, on the other hand, we find the right hon. gentleman allied with those who clamoured during the last election campaign that we owed nothing to England; that we should do nothing for the Mother Country; and yet we are asked to trust his good faith.

But, Mr. Speaker, we must not overstrain our good faith. Who is the best authority with regard to an emergency? Mr Asquith, who says:

> There never has been a moment and there is not now, when we have not been overwhelmingly superior in naval force against any combination which could reasonably by anticipated.

Mr. Churchill, First Lord of the Admiralty, who has stated:

> Germany in the course of the next eighteen months is laying down 21 destroyers; we, 43. There is no cause for panic or alarm.

Mr. Bonar Law who also said:

> But, in spite of all that has been said, does the country—do the House of Commons, do any of us—believe there is any danger, and vital danger? I confess that I have the greatest difficulty in believing it myself.

The President-elect of France, Mr. Poincaré, stated a few days ago that the entente between France and England is as firm as it ever has been in the past—and I hope it will ever be so in the future. The German ambassador in London has expressed his willingness to concede that Great Britain by reason of her naval strength, should occupy the foremost position among the sea powers of the world. The London Times declare that the establishment of local navies will meet the necessities of present conditions in Great Britain.

From these statements three facts stand out in prominence. First, nothwithstanding Sir Rodmond Roblin, Great Britain is not on her knees begging; second, she views with pleasure and pride the establishment of local navies to guard and patrol the rest of the British Empire; and, third, knowing the Britons as we do, there is no craven fear existing in their minds, and no desire for a tip of $35,000,000 from any of the colonies.

The statement has been repeated by some of the Tory speakers in Canada—in the heat of political contests, I grant you, but it has nevertheless been repeated—that England is in need of money to maintain her naval superiority. The gross national debt of Great Britain under Liberal and free-trade administration, has been steadily reduced since 1906, a reduction of about $55,000,000 a year having been made in the six years following that date. During the same period, the expenses of the British navy have been paid for out of current revenue, its growth outstripping that of the rest of Europe, which was borrowing for increased armaments. I have here the last budget speech delivered by Lloyd George, in the course of which he establishes clearly that the national debt of Great Britain has been reduced under his regime more than it had ever been reduced by preceding chancellors of the exchequer; more than it was ever reduced under Mr. Goschen; more than it was ever reduced even under Mr. Gladstone, Sir Stafford Northcote or Sir Michael Hicks Beach. Notwithstanding all the reductions made, they have been able to take out of their current revenue sufficient sums to enable them to look after the navy in such a manner as to place it at the head of the navies of the world; they have besides accomplished several social reforms; they have established old age pensions and insurance against unemployment and illness. All this has cost money, but England nevertheless remains the richest of the rich countries of the world.

I was surprised to read the other day a speech reported to have been delivered in England by the Minister of Marine and Fisheries (Mr. Hazen) before the Imperial Maritime League. He said:

> A mere gift of cash will have no useful effect at all. . . . The giving of money for the navy by the Dominion of Canada will merely have the effect of saving the pocket of the Liberal Government for other schemes of so-called social reform, which, being interpreted, means further sops to the United Kingdom electorate, and will be of no advantage whatsoever to the navy. The Liberal Government here would only spend on naval defence by so much the less as would coincide with the extent of the Canadian gift.

I do not refer to the contradiction between the present policy of the Government and the expression of opinion on the part of the Minister of Marine and Fisheries as to a gift of money on the part of Canada, but I do deprecate the indication of a sneer in his reference to the so-called social reform accomplished by the Liberal Government in England. It seems to be a fashion amongst Tories and jingoes to sneer at Lloyd George, who is, perhaps, the most remarkable British statesman of our generation, and one of the noblest and loftiest characters that have ever adorned the British Parliament. Let me quote what Lloyd George himself has said:

> The stain on the national flag is just as deep if that flag floats over slumbering children, and ill paid, ill fed, ill housed men and women, as if it were to droop on the field of war.

And, speaking the other day of the beneficial effects of insurance against unemployment and illness, he said:

Henceforth there are not five millions, but fourteen millions of working men not receiving abundance, not receiving sumptuous allowance, but receiving something to enable them at any rate to swim through that dark flood which is submerging them and their household. . . . The Empire is going round the slums at the present moment—the greatest Empire in the world. It is paying a visit to the humblest homes of the land with benefits in its hands.

My hon. friend goes to England; he is the guest of the Imperial Government, and he sneers at the Chancellor of the Exchequer who has reduced the national debt of Great Britain more than Mr. Goschen, more than Mr. Gladstone, more than Sir Stafford Northcote, more than all the other great chancellors of England, and who, with all that, has paid out of the current revenue the expenditure for the navy, the greatest in the world. He sneers at the statesman who is spending millions to save the poor, the ill-fed, the ill-paid, and the ill-housed. My hon. friend sneers at that policy, an economic revolution which England alone can accomplish without shedding any blood in the streets of London. Let me say that I strongly deprecate the language used by the hon. gentleman in England. He had no right to speak of one of His Majesty's ministers in England as he did. I deprecate also the language of Mr. Long and the language of Mr. Smith, who came to Canada as pilgrims of jingoism to teach us how to rule Canada.

We are told that this policy will not be without some benefits to Canada. First of all, we are told that it will give us a Canadian preference on the British market. We are promised also that there is another quid pro quo—namely, a voice in shaping the destinies of the Empire. The Prime Minister of Canada hastened the other day to write to the press to deny what had been asserted on the other side, namely, that there was as regards preference, an alliance between the Canadian Tories and the English Tories. I accept the denial, but I say that during my practice in the criminal courts the best evidence for me was circumstantial evidence and never direct evidence. I accept, however, his denial.

But, Sir, from reports which are appearing from day to day, and which are opening the eyes and the minds of the Canadian people, it is easy to see that there it is a deep laid plot between politicians on the other side of the water and politicians on this side of the water. Mr. Bonar Law said a few weeks ago:

The Canadian naval contribution which has been so sympathetically received by all the other colonies is the cause of the cabinet crisis in South Africa to-day.

Of course, jingoes must stir up trouble in all the self-governing colonies, and South Africa is not excepted.

The Canadian contribution is magnificent but it cannot be permanent on this basis. If the whole Empire is ever to become in reality as well as in name a united Empire and a united nation it can do so in one way only, by the establishment of a real federal system by the United Kingdom with the colonies in proportion to their population contributing to the defence of the Empire, and sharing in the glory of governing the Empire. The way was not easy but it was not impossible; it will not become easier, as time goes on, it will become increasingly difficult and I feel sure that if some arrangement of that kind is not made within the next ten or fifteen years it will not be made at all.

Then he propounds his policy of a food tax in order to win the heart of Canada. Mr. Bonar Law delivered that speech at a meeting presided over by a great Canadian statesman, Sir Max Aitkin, but there was such a hue and cry in Great Britain that Mr. Bonar Law was obliged to recede. In Great Britain, after all, they understand their own business. They love the colonies; they treat them well; but if the colonies will intrude into John Bull's business, John Bull will not like it, and even the thunderer, The Times, condemned Mr. Bonar Law for suggesting to the colonies even the idea of intruding into British politics. Others also condemned Mr. Bonar Law; in fact, he has been obliged to take back what he said. First of all, the patriots from the prairies, our western grain growers, protested. They wired to Mr. Asquith: 'No, the united Empire can be lasting and lasting for ever, but not at the cost of a food tax, although we may be the first to benefit by that tax. The unity of the Empire does not rest on an additional burden to be borne by the poor consumer in Great Britain.' That food tax policy propounded by Mr. Bonar Law is opposed also by the manufacturers in Canada. Why? Because Mr. Chamberlain, who is the father of the whole scheme, did not forget when he advocated that policy to say that if the Government of Great Britain would impose a tax on food, it was on the condition that our Canadian manufacturers would not compete with English manufacturers in certain lines of goods. Therefore, against Mr. Bonar Law, you have the poor consumer in Great Britain, you have the patriot in the west who has the courage to say: I do not want a food tax against my fellow-subject in Great Britain, and you have that super-loyal, jingo, patriotic manufacturer of Canada who does not care for British competition and who not later than a few months ago refused even to consider the proposal of increasing the British preference. Sir, the loyalty of

the jingo springs from the stomach, and not from the heart. Here you have, Sir, the stumbling-block to Mr. Chamberlain's system. As I said, Mr. Bonar Law has been forced to recede from his position, and he now speaks of a preference of manufactured goods. He has received some very severe blows from his own side. He has antagonized men like Lord Avebury, Lord Balfour of Burleigh, and Lord Hugh Cecil, all men who represent something in British politics and British Toryism. Listen to what Lord Avebury said:

As to the preference, whether it was desirable or not, as proposed, it was impossible. They admitted duties imposed by foreign countries interfered with trade, though more with their own trade than with ours. But the barriers would not be removed by erecting fresh obstacles. No commerce improved by imposing duties which we ourselves should have to pay.

He appealed to his tariff reform friends to give a little more information as to what was in their minds, and as to how they thought they could apply the preference.

Lord Balfour, who challenged in principle the idea that a system of preference would make for a greater unity, said that communities did not trade with one another; it was individuals living within communities who traded. It was proposed to give the preference upon wheat to the Canadian producer. No suggestion had been made that timber, equally produced in Canada, though by another set of individuals, would be the subject of preference, nor wool from Australia. Timber and wool were raw material; wheat was food; did they suppose that no distinction would comfort the man who produced wood in Canada or wool in Australia, who found his neighbour, who happened to deal in wheat, put in a more favourable position than himself? How would it be a bind-force on our side if the humbler classes had to pay more for bread?

Imperialism based on trade appeals appealed only to traders. Just consider the amount of British capital which has been supplied for the development of Canadian interests. It had been for the advantage of Canada and our own advantage. Business and politics were in antithesis.

Let my hon. friends, the few there are on the other side, listen to this, for it is the language of a Tory:

Our Canadian fellow subjects would not become Americans or Germans because they traded with the United States or because they trade with Germany. The Empire had no worse enemy than the man who said: 'We must tax ourselves for the benefit of the Canadian people.'

Now, Sir, Lord Hugh Cecil, the hope of the Unionist party in England——

Mr. SPEAKER: I must say to the hon. member that I cannot see any close connection between this and the question before the House.

Mr. LEMIEUX: I was alluding to trade and defence; because the Prime Minister stated that we would have a voice in the affairs of the Empire, and I accepted his denial that there was any bargain between the Tories in England and the Tories in Canada, and was proceeding to show that there was strong circumstantial evidence against the present Government in the fact that, in connection with this naval contribution of Canada, the militant Conservatives in England are advocating a food tax. I was about to quote what some sane Imperialists in England are stating as against such a foolish proposition.

Mr. MURPHY: The Prime Minister said trade and defence run together.

Mr. LEMIEUX: Lord Hugh Cecil says:

Preference is a mechanism for giving a non-natural profit to favoured sections and classes of the people. The duties imposed by this country will cost exporters the advantage of the treatment of a most favoured nation in foreign countries. The shrinkage of imports from the foreigner will cause a shrinkage of exports to the foreigner, and so on. Here surely is a fertile seed-bed for discontent, grumbling and recrimination.

Sir, the position of the Unionist party in England on this question of trade and defence has been aptly and graphically described by a writer in the Round Table for December, 1912, who says:

The Unionists are not unlike a man coming to a stream, who, with a run and a leap, lands on a stone which seemed to him, as he took-off so light-heartedly, to lie right under the opposite bank—as if a mere step would be enough to land him dryshod. But as he balances himself upon the small and slippery boulder, he realizes that he he has miscalculated, and that still another leap is needed to bring him safe to shore. There is no space for a run. He looks back across the gurgling waters and understands that to return is at least as hard as to advance. He looks forwards, and then backwards with doubt and misgiving. The Liberal spectator upon shore hopes sincerely that panic will breed confusion in his adversary's mind and lure him into choosing the greater evil, whichever that may be; but in any case, the Liberal holds the cheerful view that a ducking is more than probable in any event.

Sir, we shall not have a preference, because the present Government in England is opposed to it, the British taxpayers are opposed to it, and also the sanest among the imperialists in England.

But we are told by the Prime Minister that the other quid pro quo is to be a voice in the affairs of the Empire, in questions of peace and war. This is the bribe for the permanent policy promised by my right hon. friend to his followers in Ontario and the other English-speaking provinces; this is the condition put by the Prime Minister on a permanent policy; this is the co-partnership dreamed of by the hon. member for St. Antoine (Mr. Ames). Let us examine this point.

This is not the first time the question of the colonies having a voice in the affairs of the Empire has been discussed. Since 1884 when the famous Imperial federation league was started, we have found men of ability, men of talent and merit, who have endeavoured to write constitution after constitution for the British Empire; but the plan has always failed. The latest failure is that of which we were practically eye-witnesses at the last Imperial conference in 1911. Sir Joseph Ward appeared before the Prime Minister of England and of the overseas dominions, and propounded a bold scheme described as a parliament of defence, military and naval. That parliament of defence was to be composed of three hundred members, and there was to be an Imperial Council composed of twelve members. The parliament of defence, according to Sir Joseph Ward's idea, would deal with defence, would negotiate peace treaties at the conclusion of war and would provide revenues for defence. That plan was discussed, and it was opposed by all the representatives of the overseas dominions. It was opposed also by the Prime Minister of England, the Right Hon. Mr. Asquith, in a very remarkable speech. But let us first consider the proposition of my right hon. friend the Prime Minister now before us. He said on December 5, when he introduced his naval contribution:

No thoughtful man can fail to realize that very complex and difficult questions confront those who believe that we must find a basis of permanent co-operation in naval defence, and that any such basis must afford to the overseas dominions an adequate voice in the moulding and control of foreign policy. . . . I have alluded to the difficulty of finding an acceptable basis upon which the great dominions co-operating with the Mother Country in defence can receive and assert an adequate voice in the control and moulding of foreign policy. . . . I am assured by His Majesty's Government that, pending a final solution of the question of voice and influence they would welcome the presence in London of a Canadian minister during the whole or portion of each year.

I need not refer to the famous Imperial Defence Committee, which has been in existence for several years, which is only a consultative body, and has no executive voice in moulding or shaping the affairs of the Empire. It meets only occasionally. It is not an executive body; as I said, it is simply advisory; it does not determine a policy. But when my right hon. friend says he is seeking to obtain an adequate voice in the moulding and control of foreign policy, I say that he goes against the judgment of the Prime Minister of Great Britain. Let me read the admirable answer made by Mr. Asquith to Sir Joseph Ward in 1911. Mr. Asquith said:

That authority cannot be shared, and the co-existence side by side with the Government of the United Kingdom of this proposed body——

The Parliament of defence—

—it does not matter by what name you call it for the moment—clothed with the functions and the jurisdiction which Sir Joseph Ward proposes to invest it with, would, in our judgment, be absolutely fatal to our present system of responsible government.

Somebody, on the other side, hinted the other day, that Mr. Asquith had used some expressions in the House of Commons of Great Britain not long ago showing that he had changed his mind since the right hon. gentleman had paid his visit to England. Is it possible that a man of Mr. Asquith's position, a man whose words are always weighed, would have modified his views after having said that this proposal would 'in our judgment be absolutely fatal to our present system of responsible Government'? That is, from the Imperial point of view.

Now, from the point of view of the dominions, I cannot do better than read what was said by Sir Wilfrid Laurier—

—The separatist, according to our friends opposite, but, according to Mr. Asquith the Nestor of the Imperial conference:

So far as the dominions are concerned, this new machinery could impose upon the dominions, by the voice of a body in which they would be in a standing minority—that is part of the case only—in a small majority indeed, a policy which they might all disapprove, a policy which would in most cases involve expenditure, and an expenditure which would have to be met by the imposition on a dissentient community of taxation by its own government. We cannot, with the traditions and the history of the British Empire behind us, either from the point of view of the United Kingdom or from the point of view of our own self-governing dominions, assent for a moment to proposals which are so fatal to the very fundamental conditions, on which our Empire has been built up and carried on.

Can it be possible that Mr. Asquith, the Prime Minister of England, the undisputed master of diplomatic language, receded from the position which he took only two years ago? It is not possible, and he has not receded from that position, because the last rebuke—or should I say the last rebuff?—has come through the regular channel from the Secretary of State for the Colonies, Mr. Harcourt. In his letter to the Prime Minister not very long ago, he used the following language:

Mr. Asquith and I had subsequently several conversations with him——

Premier Borden—

—at which he expressed the desire that the Canadian and other dominion ministers who

might be in London as members of the Committee of Imperial Defence should receive in confidence knowledge of the policy and proceedings of the Imperial Government in foreign and other affairs. We pointed out to him that the Committee of Imperial Defence is a purely advisory body and is not, and cannot, under any circumstances become a body to decide on policy, which is and most remain the sole prerogative of the Cabinet, subject to the support of the House of Commons.

That is the British idea of Government—everybody master in his own house, John Bull included.

What then?—No preference, no voice. The result is now more apparent than ever. Failing to have a voice, there will be no permanent naval policy. That is where the Nationalists are triumphing.

But, we are to have a permanent policy of tributes. To that policy I am opposed as a Canadian, as a British subject, and need I say as a Liberal?

We are asked by the hon. member for Sunbury and Queens (Mr. McLean): Why not compromise? Why should not my right hon. friend the Prime Minister meet my right hon. friend the leader of the Opposition? A compromise on what, Mr. Speaker? Do we compromise on essentials? Can you compromise night and day, black and white? Can you compromise jingoism with Canadianism? This policy strikes at the very root of our constitutional Government. The better instincts of my right hon. friend (Mr. Borden), in his heart of hearts, are against that policy. It is a makeshift policy; it is a step backward. Ours is a step forward. Jingoism means restriction of our freedom and distrust of the Canadian people; Liberalism means expansion of our liberties and trust in the Canadian people as British subjects. You cannot reconcile both policies. There can be no compromise. One is the old policy of concentration dear to Mr. Chamberlain, to Mr. Bonar Law, and to Mr. F. E. Smith; the other is the traditional policy of co-operation which makes for the true unity of the British Empire. The policy of concentration lost to the Mother Country the thirteen colonies; the policy of co-operation won Canada to the British Crown, won the hearts and affections of the French Canadians in days gone by and there, yonder, won the hearts and affections of the Afrikanders. It makes for British unity. The proposed policy means an organic change in our constitution. A compromise under such circumstances would be a surrender. I am opposed to any surrender. It is a blow to the very foundation of our colonial system; and if we study the history of Canada for the last sixty or seventy years, we cannot but view with alarm any curtailing of the sound principle of self-government.

The modern idea of the British Empire is that its unity is based on the freedom of each of the component parts; that freedom breeds the loyalty of the dominions. The Government policy in the present instance shows a lack of confidence in Canadian loyalty. Let me pause for a moment and give a few historic facts. At the time when this country was governed by a select few, by the bureaucrats, by the family compact, there were men who claimed for Canada the right of self-government. A good old Englishman, Sir Francis Bond Head, reared and bred in the old fashioned school, thought that Canadians should never dream of self-government. In the Emigrant, he wrote the following lines about Lord Durham's report:

> There is a considerable section of persons who are disloyal to the core——

This same language I have read somewhere in the Tory press during the last election.

Mr. BUREAU: Everywhere.

Mr. LEMIEUX: The old Latin adage is not applicable in this case—'Tempora mutantur, et nos mutamur in illis'—time changes, but humanity is always the same. Mark his language:

> There is a considerable section of persons who are disloyal to the core; reform is on their lips, but separation is in their hearts. These people, having for the last two or three years made responsible government their watchword, are now extravagantly elated because the Earl of Durham has recommended that measure. It was Mackenzie's scheme for getting rid of what Mr. Howe called the baneful domination of the Mother Country; and never was any better devised to bring about such an end speedily.

Responsible government was granted to Canadians, thanks to Her late Majesty Queen Victoria and to the statesmen of the Victorian era. With all the forebodings of Sir Francis Bond Head, the separation never came. Lord Durham's report of 1839 was the result of the rebellion of 1837; responsible government in 1846 was the result of Lord Durham's report; Canada's subsequent advancement has been the consequence and effect of responsible government.

Let us go a little further. In 1859, one of Canada's greatest men, Sir Alexander T. Galt, was Minister of Finance in the Government of the day, he chose to impose a duty of twenty per cent on foreign goods; and immediately in England loud protests arose from Downing Street, and the chambers of commerce also protested, and petitioned the British Government to disallow the unheard of legislation of that impudent colonial government somewhere in North America. The answer of Sir A. T. Galt to the Duke of Newcastle is worth

remembering; it is published in the Sessional Papers of Canada, No. 38, 1860:

Self-government would be utterly annihilated if the views of the Imperial Government were to be preferred to those of the people of Canada. It is, therefore, the duty of the present Government distinctly to affirm the right of the Canadian legislature to adjust the taxation of the people in the way they deem best, even if it should unfortunately happen to meet the disapproval of the Imperial ministry. Her Majesty cannot be advised to disallow such acts unless her advisers are prepared to assume the administration of the affairs of the colony irrespective of the views of the inhabitants.

In 1860, after the Crimean war, England decided to withdraw her troops from Canada, and the Imperial authorities demanded that Canada in the future should control her land forces. To-day, in the year of Our Lord 1913, we are begging the home Government to accept a tribute and to do what we declare we are utterly unable to do, furnish the men to man the ships. This was written in 1860, by a statesman whose name does not belong only to the Mother Country, but to humanity—by Mr. Gladstone himself:

We consider that this immunity, throwing as it does the defence of the colonies almost entirely on the Mother Country, is open to two main objections. In the first place, it imposes an enormous burden and inconvenience on the people of England, not only by the addition which it makes to their taxes, but by calling off to remote stations a large proportion of their troops and ships, and thereby weakening their means of defence at home. But a still more important objection is the tendency which this system must necessarily have to prevent the development of a proper spirit of self-reliance amongst our colonies, and to enfeeble their national character. By the gift of self-government we have bestowed on our colonies a most important element of national education; but the habit of self-defence constitutes a part hardly less important of the training of a free people, and it will never be acquired by our colonists if we assume exclusively the task of defending them.

What a lesson to the Government of to-day! The granting of responsible government was, in the words of Mr. Gladstone, to be the paramount national education of the Canadian people of the time.

In 1861, another incident, a fruitful incident took place. The War Office had suggested the establishment of a militia corps, composed of 50,000 soldiers, with a reserve of 50,000 more. Sir George Etienne Cartier introduced a Bill in the Canadian Assembly, and the Government of the day was defeated. It was succeeded by the administration of Sandfield Macdonald. The Duke of Newcastle wrote to Lord Monk, the Governor of Canada, suggesting that the appropriation for a militia should be voted, not annually, but in a lump sum for a series of years. Here is the answer of Sandfield Macdonald, the first Prime Minister of Ontario after Confederation:

What the British Commons would not under any circumstances of danger entertain, is not likely to be entertained by the legislature of Canada, for whatever evils are incident to representative institutions, the people of a British province will not forget that they are trivial in comparison with those which are inseparable from arbitrary authority.

And a new Bill, framed on Canadian lines, was introduced. It was the foundation of our Canadian militia, and, it was completed under a Liberal Government by the establishment of the Kingston Military College; yes, it was completed by the late Alexander Mackenzie, Liberal Premier of Canada from 1874 to 1878.

Mr. Speaker, we have outgrown the old colonial policy. We have won responsible government. Formerly, England drafted our tariff; managed our post office; looked after our public works; involved us in her commercial treaties; defended Canada with her regulars. We have outlived that policy. To revive it would be to ignore our own national dignity. Formerly, a British officer commanded our troops; he has been replaced by a Canadian. And there has been no separation. For eighty years Canada has been working towards greater efficiency, greater self-reliance, and more complete self-government. In trade matters we have taxed even British goods, and it was a Conservative Premier who said: 'So much the worse for British connection,' when it was suggested that England would not be satisfied with our tariff. We have made immense strides in trade matters, and since the reorganization of the Imperial Conference, Canada has been every year expanding in power. In matters of defence, we have to-day the right to control our forces, our land forces as well as our naval forces. The Liberal party, Sir, stands for the policy of 1909 and 1910, because it means the creation of a new national institution responsible to the demands of the future; the taking on our own shoulders of the burden of national defence; the development of national life and of self-government within the Empire, which have brought us liberty and peace; the expenditure of money in our own way, the employment of our own sailors and our own mechanics, and the opening up of new channels for the activity, ambitions, and the enthusiasm of our young men.

We are told that we, Liberals do not understand our Imperial duty, and we are taunted with being 'little Canadians,' as the Liberals in Great Britain are taunted as being 'little Englanders.' Shall we allow our friends on the other side to exploit in this North American continent the British

Empire as it is being exploited by a certain section of the jingoes in Great Britain? I was reading the other day a speech delivered by Mr. Asquith on that very subject, and I feel I must read it again for the benefit of the House. He said: That there were people who thought that the Empire only meant militarism, who in fact only tasted the wine of militarism every day, and went on:

What is the attitude of the bulk of the Liberals to the British Empire? Do they look upon it as a regrettable necessity, to be apologized for as being a heavy crime, or to be acquiesced in as an inevitable and unwelcome addition to the load which weighs down the stooping shoulders of the weary Titan? It would be strange if it were so. Empire is a word which means different things in different mouths and to different ears; but what does it mean to us Liberals? It does not mean a syndicate for the exploration and exploitation of the rest of the world; it does not mean a mere commercial partnership, founded upon a basis of profit and loss; it does not even mean a simple mutual insurance society for the protection of its members against external attack. Its significance and value to us are these—that with all its failures and shortcomings, with all its weak places and its black spots, it is the greatest and most fruitful experiment that the world has yet seen, in the corporate union of free and self-governing communities. . . .

Then he goes on:

They all say to me, how is it that you, the Liberal party of Great Britain, with whose social aspirations, with whose legislative programme we are in complete sympathy—how is it that you have allowed your opponents to monopolise and exploit for their own party purposes the name and prestige of the Empire? Gentlemen, if the Liberal party is to become, as I believe it can and might be made, not the only dominant political force in this country, but the acknowledged centre and fountain head of Liberal ideas throughout the length and breadth of His Majesty's dominions, we must be firmer in our faith, or, at any rate, more articulate in its expression.

He says further: ,

I am laying down no programme. I have neither the authority nor the inclination to do so, but I have mentioned those topics, taking them merely by way of illustration of my general theme to establish my two cardinal propositions, which are first of all, that the Liberal party must not only recognise the Empire as a fact, but must welcome it as a trust, and that if it is to be anything more than barren profession of homage, before an empty shrine, it must do the best in its power to make the Empire a strong and live Empire, worthy of Christian civilization.

Sir, that is our conception of the Imperial ideal. We acquiesce in the weighty words of Mr. Asquith, and we say that imperialism, sane imperialism as described in these words, is the policy, the faith, the tenet of the Canadian Liberal party.

There are people who speak of the Empire and who dream of it only through military glamour—under Sam the Tetrarch. They mistake militarism for imperialism. I claim that full constitutional and commercial development of Canada makes for imperial unity. Confederation was a decisive step in the right direction. The construction of the Canadian Pacific railway was another; the construction of the Grand Trunk Pacific was another. Other steps in that direction are the carving out of new provinces in the West, the organization of our own militia controlled by Canadians and commanded by Canadians, the giving of the British preference and freedom of interimperial trade, the promotion of which is due to the right hon. leader of the Opposition at the last Imperial conference. And I am glad that the one to profit by it is the hon. Minister of Trade and Commerce, who opposed British preference in 1897. Cable and postal reductions were effected within the Empire, tending towards Imperial unity, and, lastly, there was inaugurated a Canadian naval service, the ships to be built in Canada, equipped by Canada, manned by Caanadians, primarily to defend Canada and her trade routes, and subject to the control of the Parliament of Canada, to aid the Mother Country in case of a real emergency.

Who is to decide as to the reality of the alleged emergency? Shall we leave it to the various British political parties? Three elections have been held in England since 1906. The Liberals said during the last campaign that there was no emergency, while the Tories of England stated that there was occasion for great alarm, and that England was on the verge of war. What has taken place yesterday and the day before yesterday in the German Reichstag, proves completely that there was no reason for such alarm. Cheap telegraphic communication has been established between England and Canada, and, in the event of a real emergency, we shall know and appreciate the situation, and the people of Canada will not hesitate to stand by the Mother Country. Let Great Britain trust her Dominions. I read the other day in a book published by Lord Brassey a description of what took place in Australia when the hour of danger came in South Africa. Listen to this.

There was no fear of separation during my residence of five years—five happy years—in Australia. Nowhere could we look for more loyal demonstrations than were made on the occasion of the Diamond Jubilee of Her late Majesty. The Irishmen were conspicuous with their green scarfs in every procession. I was serving in Australia when the first contingents were despatched to South Africa. I was an eye-witness of those moving scenes.

There was the same disinterested patriotism, the same loyalty to the old flag, in free-trade Sydney as in protectionist Victoria. It was no question of tariffs. Men do not lay down their lives for their country for a two-shilling a quarter duty on corn. When the reverse came in South Africa and the Empire needed help from all her sons, with one heart and one voice they responded to the call. They were moved by no sordid considerations—Amor patriæ ratione valentior.

Yes, Mr. Speaker, when an emergency arises, no power on earth will prevent loyal Canadians, Liberals as well as Conservatives, French and English, from aiding in the defence of the flag and the maintenance of British supremacy.

I need not dwell upon the undoubted effect of the policy of the right hon. gentleman upon our ship-building industry. It is well known that fifty years ago clippers from Nova Scotia, New Brunswick and Prince Edward Island, could be seen on each of the seven seas of the world; but, with the decline of the construction of wooden ships, they have gradually disappeared. John Bull saw his opportunity, and started the construction of iron and steel vessels, with the result that he is now the master of the seas, the expressman and the carrier of the world. He has a mortgage on everything that floats. He collects tolls from the United States to the extent of $300,000,000 a year for freight and passenger service; from Canada he collected last year tolls to the amount of $50,000,000. If we are true sons of Great Britain we should imitate the action of John Bull, and make a similar start. In years gone by, we of the maritime provinces—I consider myself connected with the maritime provinces, for I represented the old county of Gaspé for fifteen years—in proportion to population, stood at the head of the world's ship-building industry. If we desire to establish in Canada a first-class ship-building industry, we have the means of doing so: we have the coal, the iron ore, the steel, and a monopoly of the nickel. Let the Government do what it can to encourage the establishment and development of this great national industry, and I have no doubt that, true sons of Britain as we are, we can do as much on this side of the water as much as was done in the Old Country.

I dare not quote the remarks of the President of the United States, Mr. Taft, for to-morrow I would be branded as an annexationist; but allow me for a moment to quote the language of the late President McKinley:

> Foreign ships should carry the least and not the greatest part of the American trade. The remarkable growth of our steel industry, the progress of ship-building for the domestic trade, and our steadily maintained expenditure for the navy, have created an opportunity to place the United States in the first rank of commercial maritime powers.

Let us start a Canadian navy, with the object of defending our coasts, aiding Great Britain in times of emergency, and commencing the construction of a merchant marine. Ex-President Roosevelt has used language expressive of the same convictions as those of Mr. McKinley, but I need not read his remarks to the House.

A question that has often arisen in connection with this discussion is, have we the sailors to man our navy? The Postmaster General stated the other day that it would cost too much money; that the ships could be manned cheaper in Great Britain. It is true that we could hire from other countries the men for this purpose, men from the inferior races of central Europe; but would it be a self-respecting policy? Should a matter involving twenty-five cents a day interfere with the national dignity of Canada? To be logical, the Postmaster General should bring back the regulars of old to garrison Canada, and dismiss all our Canadian volunteers, but then we would lose the services of the Minister of Militia and Defence (Mr. Hughes).

We are told that ours is a separatist policy. The right hon. the leader of the Opposition has been branded in many a back concession as a separatist, not because he used the language of Disraeli, who said that 'the colonies were a millstone around our neck;' not because he used the language of Gladstone; not because he used the language of Lord John Russell; who all spoke of the Colonies in a similar vein, but because forsooth, he favoured the idea of a Canadian navy. If ours is a disloyal policy, I charge the right hon. the Prime Minister and his colleague the Minister of Trade and Commerce with being disloyal. Nay, more, I charge the Parliament of Canada, I charge you, Mr. Speaker, with being disloyal; because we, the Commons of Canada, adopted the policy of a Canadian navy unanimously in 1909. What is more, Great Britain, through her statesmen, Mr. Asquith, Lord Crewe, Lord Morley, and all the other distinguished statesmen who are to-day at the helm of British affairs, accepted that separatist policy. The memorandum which was published after the conference of 1911 is the evidence of it. It recognized the autonomy of the overseas dominions, their right to control their own fleets; it determined the areas in which Canada and Australia should fly the flag, protect the commerce, maintain the honour of the Empire. It gave Australia a portion of the Southern Pacific. It gave Canada the west half of the North Atlantic and the east half of the North Pacific; and the agreement further provided that in time of

war, so soon as the dominions placed their fleets at the disposal of the Admiralty, they remained at its disposal until the war was ended, thereby securing unity in control. Australia is building her fleet. The first unit will appear in the waters of Sydney and Melbourne on the 1st of April next.

The hon. member for Queens and Sunbury said that we could not think of having a navy. Did Australia think of having a navy before the conferences of 1907, 1909 and 1911? Yet Australia, with less population and less resources has already a royal Australian navy, flying the white ensign and the star of Australia. I remember the speech delivered by Sir George Reid, the ex-Prime Minister of Australia, before the Canadian Club at Ottawa, in the presence of the Minister of Trade and Commerce. He boasted that Australia, the last of the overseas dominions to form a confederacy, had done more to help the British Empire in building a navy of her own than Canada, although Canada had been confederated since 1867. I know that there are people in England and in Canada who think that Australia might well have a navy but who object, forsooth, to Canada having one. Reading the United Empire Review of January, 1913, I find the following:

The Australians, of course, having also heard what the Admiralty had to say about it, have taken quite a different view.

Of course, Australia had been paying contributions for years back.

And perhaps they find encouragement in the examples of Germany and Japan, but this again is not a question which admits of any generalized answer. If Australia can reasonably hope to build up an effective naval service through the co-operation of the British Admiralty, in a comparatively short time, it does not necessarily follow that Canada will be able to do likewise. The conditions are different in the two countries. Canada may seem to start with an advantage over Australia in having larger material resources and also extensive deep-sea fisheries which are the traditional nursery of seamen, but Australia has two advantages which Canada lacks. Her population being homogeneous, her Government is handicapped by no such problems as those which arise from the dualty of race in Canada.

It is because there is a duality of race in Canada that my English-speaking friends, the lovers of self-government are denied the pride of having a navy of their own. Let me tell the right hon. gentleman that if these are his views, he has only to do what the right hon. leader of the Opposition did during the last campaign—go into the province of Quebec, and educate public opinion to its British duty. But no, this is not needed. We, the French Liberals, have succeeded in bringing public opinion in the province of Quebec to stand for a navy to defend Canada and the Empire. The right hon. gentleman should have joined hands with his great rival in 1911. This is a greater issue than everyday politics. It is a national issue; it is a truly Imperial issue; and if he would understand his duty as the leader of the Opposition did, the duality of race would not stand in the way of giving Canada, the oldest and greatest of British possessions, a navy of her own to patrol the seas and fly the flag.

An Australian officer discussing the question of the Australian navy, in the Times of August 14, 1912, said:

The Australian navy, whose first floating units are already flying the white ensign along with their own distinctive flag, is not properly a thing about which there can be any useful argument. There has been some subdued debate in English circles at home as to whether a local and separate Australian navy ought to be permitted to exist.

In the clubs, don't you know, they discuss whether these colonials should be allowed to have a navy.

But that debate is futile, and, it is hardly necessary to add, quite without official weight. Touching the main principle, it is about as useless to question here in England whether Australia should be allowed to own a navy as to whether Germany should. It is a matter over which England has humanly no control. The establishment of its own fleet by the younger British nation arises from popular demand, which is to say, popular instinct. Reasons in support of, or objections to it, are of purely secondary value. But before discussing further the state of local opinion in Australia, it will be as well to set out what the Australian navy really is and means to be.

It is and means to be what Canada's navy would be if we had a Government worthy of the name. Again, I say, Mr. Speaker, this policy is an invasion of our rights as Canadians; it is the beginning of the curtailing of our rights of self-government. We are asked to contribute to-day; another election will take place, and we shall again be asked to contribute, as the flag will be waved. Will that help the British Empire?

The hon. member for Bonaventure (Mr. Marcil) truly said the other day that the Government had against it at least one-half of the public opinion of Canada, and I say that many Conservatives are against that policy, because it is un-British, un-Canadian.

We have heard before to-day, about this invasion of our rights. Mr. Chamberlain, a great statesman, one of the greatest of this century, boldly took up the gauntlet of military contribution when the Imperial Federation League was dissolved. We all remember the objects of that league. Its members were to evolve a new constitution for the Empire. When the Imperial Federation League dissolved, Mr. Chamberlain took up

the cudgels and espoused its principles. Thank Heaven, he met on his way the representative of the Dominion; a scion of the French Canadian race who knew the value of British traditions. Thanks to Sir Wilfrid Laurier, Sir, the battle was won for the dominions and for responsible government. What were the objects sought by the Imperial Federation League? It started in 1884, and it set out to secure by federation a permanent united Empire, the maintenance of common interests, and to provide for the organized defence of common rights. A conference was summoned in 1887, but very little was done. The propaganda went on until 1891, when a deputation approached Lord Salisbury, asking him to convoke a conference, and what was Lord Salisbury's answer? He said:

I do not know what the meaning of the adjective may be, but I think we are almost come to the time when schemes should be proposed and when without them we should not go very far.

And what happened? The league appointed a committee and began searching constitution after constitution, travelling from one colony to another, in order to find a modus operandi. In 1892 it had drafted a report which gravely stated:

The voice of the Empire in peace when dealing with foreign powers shall be as far as possible the united voice of all its autonomous parts. The defence of the Empire in war shall be the common defence of all its interests and of all its parts by the united forces and resources of all its members. It may be laid down as a leading principle that as all parts of the Empire enjoy the benefit of Imperial defence they should contribute to its cost; money spent upon local defence to be deemed a contribution.

We were told by Sir Charles Tupper that he, single-handed, in 1892, opposed a contribution from Canada to the British navy. In 1893 the league approached Mr. Gladstone, but he demurred and no conference was summoned, and finally the league was dissolved. Why was it dissolved? Because there were dissentions amongst its members. Some of them were for an Imperial federation for trade purposes, whilst others, like the Minister of Militia and Defence here, were in favour of an Imperial federation for military purposes only. It was at that moment that Mr. Chamberlain appeared on the scene, and for Mr. Chamberlain I have the very greatest possible respect, because he spoke quite openly. In his speech at the Canadian Club, London, on March 25, 1896, after having referred to the fact that the league had dissolved, he said:

But it does not follow that on that account we should give up our aspirations. It is only a proof that we must approach the goal in a different way; that we must seek the line of least resistance. To create a new government for the British Empire—a new government, with large powers of taxation and legislation over countries separated by thousands of miles of sea, in conditions as various as those which prevail in our several dependencies and colonies—that, indeed, would be a duty from which the boldest statesman might shrink appalled. We may, however, approach the desirable consummation by a process of gradual development.

And, Mr. Chamberlain went to work with unrelenting patience, and with characteristic doggedness.

At the Conference of 1897, Mr. Chamberlain boldly asked that Canada should send cash contribution to the navy. His proposal was negatived. Again in 1896, he wanted Canada to agree to interchange regiments in time of peace with a view of sharing in the dangers and the glories in time of war. This also was negatived.

In 1902, he succeeded in obtaining cheques from the other colonies as a naval tribute. Canada demurred but instead, took over the management and control of Halifax and Esquimalt and declared that later on she would consider the contribution of ships of her own.

In 1902, he suggested that Canada should send military contingents in case of European war. The Prime Minister of Canada simply answered: 'The matter will be considered when the need arises.'

Mr. Chamberlain, again in 1902, begged of Canada to set apart certain of her forces for foreign service if the United Kingdom would contribute to their pay. The answer was: No. Why, Mr. Speaker? Because, as Sir Wilfrid Laurier said: 'Acceptance of such proposals would entail an important departure from the principle of self-government.'

Sir, was there ever in the British Empire a better British subject than Sir John A. Macdonald? With his wit and, I should say, his genius, he described the whole scheme, of an Imperial federation and the whole scheme petered out after his description of it. In 1891 he was asked his opinion about the policy which is aimed at by the hon. member for St. Antoine (Mr. Ames), and here is what Sir John answered:

We are told that we want Imperial federation. I will not trouble you with a disquisition on that subject now, but I will tell you Imperial federation is utterly impracticable. We would never agree to send a number of men over to England to sit in Parliament there and vote away our rights and principles. I am, so far as that question goes, up to the handle a home-ruler. We will govern our own country. We will put on the taxes ourselves. If we choose to misgovern ourselves we will do so, and we do not desire England, Ireland or Scotland

to tell us we are fools. We will say: If we are fools we will keep our folly to ourselves; you will not be the worse for it and we will not be the worse for any folly of yours.

That was the pithy description of this Imperial federation by the statesman who once said: 'a British subject I was born, a British subject I will die!' A Canadian navy, no more than Canadian self-government, no more than a Canadian militia controlled by Canada, no more than a Canadian tariff framed by the Canadian Government, could or would imperil our British connection.

Sir, the genius of our British constitution can be summed up in the three words: equality, freedom and self-government. Let me quote in conclusion the words of Burke when discussing a question quite similar to this one, the question of taxation without representation. He said:

My hold of the colonies is in the close affection which grows from common names, from kindred blood, from similar privileges and equal protection. These are ties which, though light as air, are as strong as links of iron. . . . As long as you have the wisdom to keep the sovereign authority of this country as the sanctuary of liberty, the sacred temple consecrated to our common faith, wherever the chosen race and sons of England worship freedom, they will turn their faces towards you. The more they multiply, the more friends you will have; the more ardently they love liberty; the more perfect will be their obedience. Deny them this participation of freedom, and you break the sole bond, which originally made, and must still preserve, the unity of the Empire. . . . . It is the spirit of the English constitution, which, infused through the mighty mass, pervades, feeds, invigorates, vivifies, every part of the Empire, even down to the minutest member.

No loftier, no nobler ideals were ever presented. They have created that grand spirit of self-reliance which has made the British race sturdy, vigorous and manly. They have made the Empire a striking reality, the wonder and admiration of the world. The present policy of tribute is in direct violation of the principles that have thus far obtained through the history of the British Empire. The duty of the Liberal party is to resist such a setback to our national development. Historically, this is its task. It was its duty at the time of responsible government, at the time of Confederation, and it was its duty when Canada was invited at the various Imperial conferences. Our great leader might well let well enough alone. He has done his noble share for the country during the last forty years. But, like the traveller who has reached the top of the hill, his journey is not at an end. His, is only a halt. He may rest his weary limbs and contemplate for a time with gratitude and admiration the space he has traversed and the prospect around him. Indeed, he may dream of making a perpetual bivouac on the summit. Yet he may only hope that his future course may be less arduous, the rocks less steep, the torrents less difficult, the marsh less unsafe to cross, but he must still move on and pursue his journey, all the more confident in his path from the success he has already achieved. A voice is heard which murmurs: 'Excelsior! Onward!' It bids him to fight the cause of the people. Defeat would not discourage him, because the upholding of British institutions, the defence of self-government, must and will, sooner or later, triumph in Canada.

In my humble judgment an appeal to the country is necessary, because this policy is against the spirit of our institutions. This policy was not in issue during the campaign of 1911. It is a new departure, and we cannot commit the country to it without asking the country what it thinks of it. To my right hon. friend the Prime Minister, I say: You cannot and you will not involve the country in foreign politics without consulting it; you must avoid friction for the future if you are a true Britisher; you owe it to Canada and you owe it to the Mother Country. We must not rush into the maelstrom of European politics, fraught with all its dangers. The people must weigh all the consequences of this new venture before having it endorsed by a Parliament which has no mandate from them.

At six o'clock, House took recess.

After Recess.

House resumed at eight o'clock.

PRIVATE BILLS.

THIRD READINGS.

Bill No. 55, to incorporate the New Westminster Harbour Commissioners.—Mr. Taylor.

Bill No. 59, to incorporate the North Fraser Harbour Commissioners. — Mr. Taylor.

Bill No. 53, respecting Brazilian Traction, Light and Power Company, Limited.—Mr. Macdonell.

Bill No. 56, respecting the Hull Electric Company.—Mr. Devlin.

MONTREAL, OTTAWA AND GEORGIAN BAY CANAL COMPANY.

House in Committee on Bill No. 45, respecting the Montreal, Ottawa and Georgian Bay Canal Company.—Mr. White (Renfrew. (Mr. Deputy Speaker in the Chair).

Mr. OLIVER : When this Bill was before the Committee last, the Prime Minis-

ter promised an official answer to a question which I asked him. I do not wish to hold up the Bill, but I would like to get that answer before the Bill goes through.

Mr. HAZEN : What was the hon. gentleman's question ?

Mr. OLIVER : The question was as to whether the passage of this Bill, allowing the company to increase its bond issue by $75,000,000, would in any way increase the difficulty of the country in taking over the enterprise at a later date; that is to say, would the position of the Government towards the company be altered in any way by the increase of bonding powers provided in this Bill ?

Mr. LANCASTER : I think the matter was cleared up before. Of course I cannot prevent my hon. friend, if he insists upon it, from asking the Prime Minister to say what is quite patent. In 1906, when we were increasing the bonding powers of this company, gentlemen on the Railway Committee, I among them, noticed the very objection that my hon. friend makes, that some claim might arise for larger damages in case the Government might wish to take over the work. Therefore the original section 43 of the charter, which gave a wider claim for damages and a claim which might be increased in accordance with an increase in capitalization, was repealed, and a drastic section was passed which makes the claim just the same, no matter how much the bonding powers might be increased. The original section 43 which was in force until 1906 was that:

Her Majesty, her heirs and successors, may at any time assume the possession and property of the said canals and works, and of all the rights and privileges and advantages of the company, all of which shall after such assumption be vested in Her Majesty, her heirs and successors, on giving to the company one week's notice thereof and on paying to the company the value of the same, to be fixed by three arbitrators or the majority of them, one to be chosen by the Government and another by the company, and a third arbitrator by the two arbitrators; and the arbitrators may in such valuation take into account the expenditure of the company, its property, the business of the canals and other works hereby authorized, and its past, present and prospective business, with interest from the time of the investment thereof.

I have a very vivid recollection of what took place in the Committee. It occurred to us then that, with that clause standing, as you increased the capital of the company, you were increasing the value of the concern which the Government would have to pay for; and that if we were going to continue increasing the capital, we should repeal that section and have a drastic section passed, so that no matter how much the capital was increased, the company would not get a cent more when the Government expropriated the work. I think the Committee will see that no other answer to the question could be imagined than that the Government cannot be embarrassed in any way by this increase in capitalization. This is the drastic section which was passed:

His Majesty, his heirs and successors may at any time assume the possession of, and the property in, the said canals and works, and of and in all the rights, privileges and advantages of the company on giving to the company one week's notice of intention to do so; and thereupon all property in the said canals, works, rights, privileges and advantages shall become, and thenceforward shall be vested in His Majesty, his heirs and successors; and by way of compensation His Majesty shall pay to the company the value of the work actually done up to the time of the giving of such notice in surveying, and in the making of plans, and otherwise upon the ground, together with the value of all tangible property of the company of which possession may be so taken, such values to be fixed by three valuators, or the majority of them, one valuator to be chosen by His Majesty, another by the company, and the third by the two so chosen.

The Committee will see that instead of the Company having any right to damages in respect to good will or franchise, its right is clearly limited to the work actually done on the ground, no matter what the capital may be. When we reported this Bill, we inserted that clause so that there would be no doubt that a strict limitation would be put on the damages. That is the way it is in the Bill before the Committee.

Mr. OLIVER: I appreciate my hon. friend's view; but I do not attach the same meaning to the section that he does. I think everybody will agree that it is not so important what a section of the law says, as what the Government of the day is going to do about it. I think it is a fair question. The hon. the Prime Minister considered it a fair question when he was in the House, and promised to give an answer as to what his official opinion, as the head of the Government, was. I do not insist upon the presence of the Prime Minister; but what I do ask for is a statement from a member of the Government as to the view the Government takes of the effect of this section, which view of course would carry with it the action of the Government, if action should ever be called for in connection with it.

Mr. HAZEN: All that the Government can do is to carry out the law. Speaking as one member of the Government, I would say that I attach the same meaning to that section of the statute as my hon. friend from Lincoln (Mr. Lancaster), who is the chairman of the Railway Committee, and who has given very close atten

tion to the matter. I fail to see how the Government can be embarrassed in any way by that section, or how it can become more difficult for the Government to take over the work because of an increase in the capitalization of the company.

Mr. OLIVER: Not to delay the Bill, but to get the matter absolutely clear, will the hon. Minister of Marine and Fisheries say on behalf of the Government that, in his judgment as a member of the Government, the proposed increase of capitalization provided by this Bill will not be any obligation upon the Government for——

Mr. LANCASTER: Any greater obligation.

Mr. OLIVER: Yes, any greater obligation —for consideration?

Mr. HAZEN: I only could give my own opinion as a member of the Government, and in my opinion it would not lay any greater obligation upon the Government.

Mr. OLIVER: I do not wish to insist on the presence of the Prime Minister, though there was a distinct understanding that he should give the answer. I am ready to accept the answer of my hon. friend (Mr. Hazen) if he gives it as from the Government.

Mr. PUGSLEY: I hope the hon. member for Edmonton (Mr. Oliver) will take the statement of the Minister of Marine and Fisheries, who speaks not only as a minister but as a lawyer who knows well the interpretation to be given to the clause of the Bill. It seems to me absolutely clear that the increase in the powers of the Company to extend its undertaking can in no way increase the obligation of the country for the works which the company may construct as provided under section 42. The obligation of the country is absolutely limited to the actual value of the works constructed, the moneys expended in surveys and in constructive work. No matter whether the bonding privilege is $100,000,000 or $100,000, that is not what governs the arbitrators in determining what amount should be paid. It seems to me absolutely clear that the country is safeguarded and that there is no increase of obligation placed upon the country by these increases of stock or bonds.

Bill reported, read the third time and passed.

KOOTENAY AND ARROWHEAD RAILWAY COMPANY.

House in Committee on Bill No. 43, respecting the Kootenay and Arrowhead Railway Company.—Mr. Taylor. (Mr. Deputy Speaker in the Chair.)

On section 2:

Mr. LANCASTER: Perhaps a little explanation should be given in this case. Clause 2 is not in the Bill as printed. You have, I think, Mr. Chairman, three added clauses, Nos. 1, 2 and 3. They are the standard clauses in regard to preventing the expropriation of water-powers and municipal control of highways and of light, heat and power upon the highways.

Bill reported, read the third time and passed.

GOLD MEDAL FURNITURE MANUFACTURING COMPANY.

House in Committee on Bill No. 71, respecting the Gold Medal Furniture Manufacturing Company, Limited.—Mr. Macdonell. (Mr. Deputy Speaker in the Chair.)

Mr. CARVELL: I desire to register a protest against the passing of a Bill of this kind, because it seems to me to be establishing a principle of renewing patents regardless of the circumstances of the case. In former instances some reasons, alleged to be beyond the control of the owners of the patent, were invariably advanced as to why legislation of this kind should be passed, and apparently genuine reasons were given for the application. It appears to me that we are drifting away even from that rather farcical position, and owners of patents are coming to this Parliament and practically pleading their own negligences and their own errors as reasons for the renewal of their patents. This is a patent with respect to spring beds or mattresses. The matter was rushed through the Private Bills Committee the other afternoon in about fifteen minutes, and the only objections raised against the Bill were my own and those of the hon. member for St. Antoine (Mr. Ames). I was asked if I would not withdraw my objection, and allow the matter to go through while the House was sitting, which I did. The company had three patents; one expired in 1912, one in 1909, and one I think, in 1910. As far as we could ascertain, the patents were practically the same. The manager of the company stated that he had instructed the secretary or treasurer to send a cheque to the department in connection with one of these patents, and when received by the department it was applied to the patent expiring in 1910. There was a good deal of correspondence in reference to the matter, and the cheque was returned by reason of some informality. A new cheque was sent, the money was finally applied to the patent that expired in 1910, and the company made no attempt whatever to renew the patent expiring in 1909, which is the one provided for in this Bill. In 1912 the third patent expired, and other manufacturers of the same articles contended that there was no practical difference be-

tween the patent expiring in 1909 and the one expiring in 1912. The company has had eighteen years' protection under the 1912 patent, and they are now asking for a renewal which will give them another twelve years' protection or, as is contended by other manufacturers, a protection on the same device for thirty years. A very strong protest against the renewal of this patent has been registered by a number of the most important manufacturers of this class of goods in Canada. They were represented at the committee meeting by a patent attorney of high standing from Montreal, but the committee seemed to be disinclined to take any notice of this gentleman's statements, and railroaded the matter through. If this Bill passes, the effect will practically be the extension of protection for a term of twelve years to a company which has already enjoyed protection for eighteen years. A man who invents a new and useful device is entitled by law to the protection given him by a patent for a period of eighteen years, but the practical result of this Bill will be extending this period for twelve years, giving a total of thirty years' protection. This will enhance the price of the article to the consumer, and I submit that if we are to renew these patents under such conditions, we should give the Commissioner of Patents the right to renew them in his discretion, so that the public will not know we are going through this farcical performance about twenty-five times every session. If I were the holder of a promissory note, and had failed to present it and notify the endorser when due, I might just as well ask Parliament to renew my rights and give me another chance of notifying that endorser as to ask for the renewal of a patent under such conditions as I have described. Some thing should certainly be done to prevent this straight abuse of the patent law, and avoid extending to certain persons rights to which they are not entitled.

Mr. MACDONELL: I am rather surprised at the attitude of the hon. member for Carleton with respect to this Bill. The hon. member was present when this Bill was discussed in committee, and, with the exception of the hon. member for St. Antoine, was the only member who took exception to it; but the hon. member for St. Antoine, upon hearing an explanation of the matter, was apparently satisfied. The company applying for this legislation was represented at the committee meeting by their attorney and the president of the company. The fullest possible explanation was given, and there was not a dissenting voice in the committee when the Bill was finally passed—not even that of my hon. friend who has just taken his seat. The fullest possible explanation was given and there was not a dissenting voice in the committee when the Bill was finally passed, not even the member for Carleton.

Mr. CARVELL: Oh, I beg pardon, I voted 'nay.'

Mr. MACDONELL: That is the fact. The applicant for this Bill proved, and his solicitor was there with a sworn declaration of the facts, that this patent was originally to run for eighteen years; it ran its first period of six years and then the applicants, being manufacturers of certain springs for mattresses or other uses, sent to Ottawa a renewal fee on another patent which they owned, believing they were sending the fee for the renewal of this patent. The solicitor who appeared there proved that the office itself at Ottawa was guilty at least of some degree of carelessness in not advising the applicants that they had paid the fee on the wrong patent. The applicants did not discover for some time afterwards that they had paid a fee on a patent which did not expire for several years to come. The applicants proved that they had invested between $27,000 and $30,000 in exploiting this patent, in advertising goods made under it and promoting the patent generally. The only opposition to this Bill was made by gentlemen for whom my hon. friend apparently acting as sponsor. They were, on the admission of their attorney, practically pirates, simply waiting to have the patent expire in order to manufacture the articles and get the benefit of the applicant's invention without paying anything for the rights. That position did not commend itself to the committee. They properly thought that where these men were lurking around for this patent to expire in order to profit by it and manufacture under it and take the benefit of the inventor's brains they were not worthy of consideration; so when the motion to report the Bill was put by the Chairman there was not a dissenting voice. Lest some one should have acquired a bona fide interest under the patent since its expiry the usual protection clause is inserted under section two. The House has for years been renewing patents that have expired through inadvertence owing to a mistake of a clerk or something of that kind and this is quite in line with that practice.

Mr. CARVELL: I am sorry my hon. friend chooses to make a personal attack on me in this matter. I have a right to speak here on this matter or to go before the Private Bills Committee and present my views. I asked for a reason why the Bill should go through and the hon. member says because the Private Bills Committee were unanimous in reporting it except for myself. The facts are that the patent on which this money was applied

expired within a year. I am prepared to admit that this company has as much right to a renewal as dozens that have come here within the last five years. It is the principle I have objected to in the committee and since my hon. friend has referred to the committee I will state the facts. The committee was called for 11 o'clock but owing to a Conservative caucus we received notice that the committee would meet at 2.30. When I arrived I found the committee room full. I asked a few questions and some time before 3 o'clock I asked to have the right to examine the president of the company who was there. Oh, they said, you don't want to examine him; here is an affidavit. He was there with his solicitor and I was asked what right I had to examine him and was not allowed to examine him.

Mr. MACDONELL: My. hon. friend is absolutely mistaken.

Mr. CARVELL: I think I can narrate a fact as well as the hon. member for Toronto, and I tell him I am not mistaken.

Mr. MACDONELL: You are mistaken.

Mr. CARVELL: I asked two or three times and was shunted off every time. Finally three o'clock came and I wanted to examine the witness and again I was shunted off. I raised the objection that we had no legal right to sit after the House was in session without permission, but the hon. member for Toronto laughed at the idea. Fortunately the Chairman of the Private Bills Committee is a pretty good lawyer and he knew that under the law and the practice and the rules we had no right to sit while the House was in session without the consent of the House. They appealed to me: Why do you oppose it? They appealed to me not to act the part of a blocker. I did not want to put myself in that position and the thing went through and I voted 'no.' I repeat that as a matter of principle I do not think any company which has been negligent in complying with the requirements of the law should have the right to come here and be reinstated. He talks about pirates. I do not know who the companies were. I could not name one of them to-day I never spoke to the gentleman who was representing those who protested; I do not even remember his name, but he was there in the committee with a genuine protest from responsible manufacturers in this country against this patent being renewed, and the committee would have done itself more credit had it allowed members of that committee, myself included, to have investigated the matter further and ascertained the facts from the president of the company who was in attendance. I could not help the Bill being rushed through the committee, but I have the right of free speech, and I have the right to come here and give my reasons for objecting. It would be well that the matter should be given further consideration and that it should not be railroaded through to-night as seems to be the intention of my hon. friend from Toronto (Mr. Macdonell.)

Mr. ROGERS: I agree with my hon. friend from Carleton (Mr. Carvell) that this House should not be put to the trouble of renewing patents such as this unless the very best possible reasons can be given for such renewal. The reason given by my hon. friend from Toronto was to the effect that the lapse of the patent was caused by a mistake on the part of a clerk in one of the departments and that I believe to be sufficient reason for the House acting in the case. The statement made by my hon. friend from Carleton should be taken notice of by those applying for renewals of patents from time to time, and generally speaking I am disposed to endorse the views he has put forward. However, in view of the strong case made out by my hon. friend for the passage of this Bill, I do not think there will be any objection to it.

Mr. NESBITT: Was there anything before the committee to show that the lapse of the patent was due to neglect on the part of the department?

Mr. MACDONELL: I do not desire to reflect on the department in any way. It was proved that the renewal fee was sent to Ottawa by the proprietors of this patent, but that fee was applied to the renewal of another patent which did not expire for some two years. Correspondence ensued extending over a period of two months and the proprietors of this patent believed that in the course of that correspondence their attention should have been called to the fact that the fee was applied to a different patent.

Mr. CARVELL: I do not think the Commissioner of Patents is running his department by rule of thumb and I would have liked to have had an opportunity of seeing the correspondence to ascertain why the fee was applied to the second patent and not to the first. I asked for delay in the committee but I was told I was going to be a blocker — not a chucker-out this time—and I did not insist on preventing the passage of the measure in committee, knowing that I would have another chance to speak about it in this House. I believed then and I believe now that the Patent Office did with this fee just what they were told to do with it. Since I have been in Parliament I have never seen anything railroaded through committee as was

this little patent Bill that morning. In view of the very able argument advanced by the Minister of Public Works as to the passage of this Bill I have no doubt the member for Toronto will get it through, but I think he would be well advised if to-night he would allow it to stand so that we may have an opportunity of ascertaining the facts.

Mr. OLIVER: My hon. friend from Carleton says that according to his understanding this legislation gives these people a thirty years term for their patent. Is that correct?

Mr. MACDONELL: My hon. friend from Carleton made some errors in his statement, one of which that is. The total length of the patent is eighteen years from its date. It has now run nine years, and its term is only nine years more.

Mr. CARVELL: As I stated the other day, the best information I could get was that the patent which expired in 1909 covered almost identically the same thing as that which was covered by the patent which expired in 1912. That is what all the manufacturers thought. The manufacturers thought that when the 1912 patent had run its full eighteen years the coast was clear and they would be entitled to go on and manufacture. I believe that they cover identically the same invention but I have had no chance of finding that out. I would like to have had a chance of examining the president of the company as he was there. I think I know enough about the patent law to have done that and I could have satisfied myself as to whether these two patents covered the same thing. The Commissioner of Patents was also there and I would like to have had a chance of examing him. But I did not have time as we only had twenty-five or thirty minutes and they were bound that this Bill should go through. There are a great many potent reasons why this Bill should not pass but should go back to the Private Bills Committee. I think my hon. friend would do well if he would move that the order for the consideration of the Bill in committee be discharged and that the Bill be sent back to the Private Bills Committee. He will get his Bill through all right before the session closes.

Bill reported, read the third time and passed.

CONSIDERED IN COMMITTEE—THIRD READINGS.

Bill No. 40, respecting the British Columbia Southern Railway Company.—Mr. Taylor.

Bill No. 69, respecting Ebro Irrigation and Power Company, Limited.—Mr. Ross.

Bill No. 11, respecting New Orleans and Grand Isle Traction, Light and Power Company, Limited, and to change its name to New Orleans and Grand Isle Railway, Light and Power Company, Limited.—Mr. Macdonell.

SECOND READINGS.

Bill No. 110, respecting the Canadian Pacific Railway Company.—Mr. Sharpe (Lisgar).

Bill No. 111, respecting Imperial Underwriters Corporation, and to change its name to Imperial Underwriters Corporation of Canada.—Mr. Green.

Bill No. 114, to incorporate the Port Nelson Company.—Mr. Beattie.

Bill No. 115, to incorporate the Prudential Life of Canada.—Mr. Meighen.

Bill No. 117, respecting the Canadian Western Railway Company.—Mr. Aikins.

Bill No. 118, respecting the Imperial Traction Company.—Mr. Clark (Bruce).

Bill No. 119, respecting the Prudential Trust Company, Limited.—Mr. Macdonell.

NAVAL FORCES OF THE EMPIRE.

Mr. F. F. PARDEE (West Lambton): Mr. Speaker, on the naval question I take exactly the same stand as has been taken by the hon. member for Rouville (Mr. Lemieux) this afternoon, and have no apology whatever to offer to this House for going on with the discussion. To me, as a Canadian through and through, it is the biggest question that has ever come before the people of Canada; it is fraught with great results; it carries with it perhaps greater consequences than any other question, at least during the time that I have been in public life, that has come before this or any other Parliament of this country. Under these circumstances it strikes me as odd that there should have been and is now such a reticence on the part of the members on the Government side of the House to discuss this great question. It has that side of the House absolutely plumbfull of hush to the brim. Therefore I take more pleasure in discussing this question as a Liberal and Canadian, because I know that the Liberal party have never yet been the least bit afraid to nail their colours to the mast, to discuss every question thoroughly, to let the people know exactly what they think about these questions, and at all times to appeal to the people of the Dominion of Canada upon them.

In this question there are two distinct policies. There is the policy that was brought down in 1909, which was unanimously agreed to in this House, there is the further policy that was brought down during the present session, upon which this debate has occurred. There is a distinct line of cleavage between the two policies, and

there seems to me to be absolutely no comparison, either from a Canadian standpoint or from an Imperial standpoint, as to which policy is the better for the people of the Dominion of Canada. There are three reasons why we have heard no particular comment from the Government side of the House. The first is that the members individually, in view of the discussion of 1909, are afraid to commit themselves; the second is that there is not a shadow of an emergency; and the third is that there is absolutely no defence for the present proposition. Why are they afraid to commit themselves? for this reason, that the country approved of the resolution which was unanimously passed by this House in 1909. That resolution was brought forward in consequence of a speech made by the present Minister of Trade and Commerce (Mr. Foster), a speech to which I listened with perhaps as much attention as any speech I ever listened to or read during the course of my public life. It made upon me a most distinct impression as a young Canadian. I had not thought much about the question before; but I am bound to say that, after listening to that speech and after reasoning it out in my own perhaps crude way, I was under the impression that it expressed the best Canadian and Imperial thought. I am not going to quote that speech in extenso: but there are two or three passages in it which I think are well worth again reading to the House, even if they have been quoted once or twice before. I am quoting from page 3486 of 'Hansard,' of March 29, 1909:

Sir, into this world of trouble, of uncertainty, amongst this world of nations, Canada has pushed forward to her place. She has taken a position which is important now, which will become more and more important as the years advance. Her ship of state is launched on the world's waters, it is open to every storm, it is exposed to every danger. She cannot escape the common burden, she cannot neglect the common duty, she cannot ignore the common responsibility. I do not believe that she wishes to. Having entered the game, I believe that it is the disposition of the Canadian people to play it valiantly, to play it honourably, and to play it successfully. If her sons have the pride of manhood, as I believe they have, if they know what the stern joy of contest means, if they have proper faith in their high destiny, if they visualize any adequate picture of the future, it seems to me it is up to the people of Canada and to the manhood of Canada to prove their faith and their worth by their works, to grasp the full meaning of their heritage and its responsibilities and to prepare to defend it as well as to develop it.

A further passage in his speech was this:

For five centuries the patient, toiling British taxpayer has paid the bill and paid it with a cheerful countenance, and so far without grumbling. Can you find in the history of the world any more sublime figure and any more beneficent instrumentality for good worked in so unselfish a way and borne so cheerfully and unstintingly by the few millions of people that live in the islands in the North sea? What rank ingratitude in us, of all people, to shield our selfish indifference to the sacrifices of such a mother behind such an argument.

Then, he made what to me was probably the strongest declaration in the whole speech:

The point with me is as to whether it is not the greater wisdom to sow the seed at once and cultivate its growth, as best we may, in our circumstances and with our resources, until at last we arrive at that stage of expansion which we have reached in other great lines of our country's progress.

These were absolutely Canadian sentiments —first, last and all the time. But, two short months ago, we listened again to the Minister of Trade and Commerce, and heard him turn down and directly oppose every sentiment he had uttered in March, 1910. This must have made his hearers realize that politics indeed make men do queer things at times. It appeared to me that one could not listen to that speech without feeling that, as a matter of fact, it was not spoken from his heart of hearts, but that he was simply endeavouring to square himself and his party with the people of this Dominion. That appears to me to be the net result of that speech, able as I admit it to have been, made by the Minister of Trade and Commerce, two months ago. At the time when the hon. gentleman spoke in 1910, we had some other speeches also. We had a speech from the present Prime Minister. I quote from that speech, at page 1740 of 'Hansard,' January 12, 1910:

Then it has been argued that the creation of the so-called Canadian navy would have a tendency towards the separation of this great dominion from the Empire.

I should like my hon. friend from Brantford (Mr. Cockshutt) to digest these words, if he is capable of it.

I do not see that it has such a tendency more than the organization of the militia force; less, I say, because the resolution of this House in March, 1909, expressly declared that the organization of the Canadian navy should be along the lines suggested by the Admiralty at the last Imperial conference. That resolution as introduced by the Prime Minister was slightly modified in the end and was finally passed.

And he proceeds to read that resolution. That was one of his declarations during the session of 1910, and he said—it will bear repetition:

That the creation of a so-called Canadian navy will have a tendency towards separation of this great dominion from the Empire.

Then he said further:

The British Empire is in some respects a mere disorganization, and I for one believe that co-operation in trade and in defence are essential to its future development and even to its future existence. Permanent co-operation in defence, in my opinion, can only be accomplished by the use of our own material, the employment of our own people, the development and utilization of our own skill and resourcefulness, and above all impressing upon the people the sense of responsibility for their share in international affairs.

That is what the Prime Minister said in this House. Further, in July, 1909, at the Dominion Day banquet in London, England, he said:

Some feeling was created in the British Islands owing to the fact that Canada had not by a resolution or by a speech from the Prime Minister vouchsafed an offer of one, two or three dreadnoughts. The resolution in the form in which it was passed, while it might not on the surface seem to be as significant at the moment as the offer of one or two dreadnoughts would have been, laid down a permanent policy for the Dominion of Canada which would serve a more logical purpose than any offer of dreadnoughts.

He then thought that the policy which we had adopted unanimously in 1909 was a far better policy than the policy which he is bringing forward in the resolution of to-day. My hon. friend from Brantford, in speaking the other night, was good enough to say that the policy which we stood by in 1909, and the policy which we on this side stand behind to-day, is a separatist policy. He said, quoting from his speech in 'Hansard,' at page 1686:

We know Sir Wilfrid Laurier from twenty-five years' experience of him and the statement I have made is the statement that holds good in the province of Ontario at any rate, and that is, that whenever he has had an opportunity of choosing between greater Imporial unity and a separatist policy, he has always chosen the separatist policy, as he is doing now.

Did not the right hon. leader of the Government in his speech at the Dominion Day banquet in July, 1909, promulgate the very policy that the Opposition is promulgating to-day? If my hon. friend from Brantford is so willing to indulge in epithets, I want to ask who was the separatist in July, 1910; was it the right hon. gentleman who leads the Opposition or was it the right hon. gentleman who leads the Government? Just before the words that I have quoted, the hon. gentleman made the remark that Earl Grey in something he had said, had allowed his good nature—I think that was the expression—to run ahead of his zeal. I think that in making the statement he did, the hon. member for Brantford was allowing his political zeal and his political bias to run away with his good real sense. I can look at it in no other way, for the facts are there; they speak for themselves; and I leave it to the House and the people of this country. With all the declarations on the Government side of the House regarding this navy question, it is no wonder that hon. gentlemen opposite are silent, that they do not like to commit themselves. I say I am not surprised because it has been one year, one thing, and another year another; one session this, another session that. It is like the old story of Eli, Huli and Babi, who appeared upon the stage with lighted torches. Babi jumped down Huli's throat; Huli jumped down Eli's throat; and Eli, seizing the last of the lighted torches, jumped down his own throat and left the audience in utter, darkness. Surely it is so with hon. gentlemen opposite, and why? In 1909 all were unanimous on the question of a Canadian navy. But in 1909 the wind commenced to veer a little, and the Prime Minister and other hon. gentlemen opposite commenced to square their sails to catch the breeze the other way. In 1911 the alliance with the Nationalist party was effected, and in September, 1911, by reason of that alliance, and on account of the propaganda carried on at that time, the Conservative party went into power.

Some hon. MEMBERS: Hear, hear.

Mr. PARDEE: Hon. gentlemen say hear, hear, but I may tell them that so long as I am in public life, be the time long or short, I would despise the day I drifted in under such auspices as those under which hon. gentlemen opposite obtained power. They are in power; the pledge is there, and I believe that pledge is a hard and fast one as concerning the Postmaster General, the Minister of Inland Revenue, and Mr. Bourassa. There exists to-day, without the shadow of a doubt, an iron-clad agreement which binds the present Conservative Government to stand absolutely by the proposition they have brought down, un-Canadian as it may be, and against their own best thoughts, as I am sure it is. Some sections of the Canadian people may say to-day that we must do nothing; that we must not contribute, nor build, man, maintain, or equip. For my part, I think that the people of Canada are bound to do something; they have to take one course or the other; they have to express confidence in the resolution now before the House, or in the proposition submitted by the right hon. leader of the Opposition. I cannot see the force of the argument that we should not have a Canadian navy for the reason that we cannot build the ships,

that we cannot man, equip and maintain them. During the short period of her history, Canada has carried out some of the largest works undertaken in any part of the wide world. We have built our canals and waterways; we have built our vast transcontinental railroads; we have built—

An hon. MEMBER: The Quebec bridge.

Mr. PARDEE: Yes, the Quebec bridge, and, perhaps, had the Government in office at that time given the contract for the Quebec bridge to a Canadian firm, the result might have been different. These huge engineering works have been carried on by Canadians; they are being carried on to-day, and are being brought to a successful conclusion. Were we obliged to send to England for the brain and the brawn necessary for the successful carrying out of these works? No. We did it ourselves, and, so far as the Canadian navy is concerned, we can do that ourselves. I admit that it cannot be done at once, but is it too much to say that the Canadian people, with what they possess of vital endowments and abilities, physical and mental, are able to do anything that the people of any other nation are capable of doing? If the matter is started in the right way, I submit that Canadians can build as good warships as any other nation, and ought to be given the chance to do so. What did my hon. friend the Minister of Trade and Commerce say in that same speech from which I quoted a few moments ago? Listen to this:

The first Canadian-owned vessel, built and equipped in Britain, and sent out to defend our coast, would become the nucleus and the training ground of Canadian stokers, Canadian sailors, and Canadian officers, and by and by, perhaps, of a Canadian Admiral on the Canadian coast. How much time would be taken in completing that circle none of us can say, but if we begin the tracing of it and follow it fairly and faithfully the time must come when we get a complete circle, and have an Imperial adjunct to the British navy for the defence of Canada and the defence of the Empire, in which Canada has some of her body, her bones, her blood, and her mental power, her national pride.

These words express my opinion better than if I occupied the time of the House for an hour, because I would not be able to voice these sentiments in the same terse language as that used by the Minister of Trade and Commerce. What does this 'circle' mean? It means the establishment of shipyards, for the construction not only of ships of war, but of every type of vessel required for Canadian trade and commerce. The development of your resources—your iron, nickel, timber and coal—must follow in natural sequence the building of ships in Canada and the employment of thousands of the most skilled mechanics, both in the building of ships and in the development of industries allied with their construction must inevitably result. What about Sydney and Sault Ste. Marie? What about Hamilton, with her immense steel mills? Would it not, in these particular places, give employment to thousands of men? Would the people of these cities not engage in the manufacture of the component parts of battleships and vessels for commercial purposes? With that state of affairs prevailing, would there not be greater prosperity in the Dominion of Canada than exists to-day, or ever has existed? It must necessarily be so. Ship-building plants would in all probability be established in Montreal, St. John, Halifax, at one or two ports on the great lakes, and in British Columbia, having the effect of building up our cities and towns, and developing Belfasts and Newcastles right here in the Dominion of Canada, with all their attendant benefits and advantages. These are the things which should be embodied in a Canadian policy of this kind, and these are the features of the policy which the Opposition are desirous of having adopted.

Hon. gentlemen opposite say that they propose to send to Great Britain $35,000,000, a large sum. What does it mean? If, Sir, my information is correct, seventy per cent of that $35,000,000—that is, $24,500,000—will go into the pockets of wage-earners. If that goes into the pockets of the workingmen, surely it is going to benefit practically every other class of the community, and, above and beyond all—a solace to the hon. gentlemen opposite—surely with that great band of industrial workers built up, their home market will be better than it ever has been before. Then I ask you, Sir, why in Heaven's name we should here as a Parliament take upon ourselves the right to send out of the Dominion the huge sum of $35,000,000 in order that the people of other countries may benefit by it, and not the artisans, the farmers and every other class in the Dominion of Canada? It is absolutely un-Canadian, both from the monetary standpoint and from the fact that the minute this Parliament votes that money, it publishes to the world that Canada, forsooth, will contribute to the fleet of the British Empire; but that she has not to-day the brains, the resources, nor, above and beyond all, the faith in herself to say: We shall spend that money, but we shall spend it within the precincts of our own country. That is a fact which cannot be got away from. If that is so, is it inspiring or in the least elevating to the generations of Canadians who are to come? A country is not made merely by the fact that it has enormous resources. A country is made primarily by the power of its citizens to have faith in themselves and pride in their country. That is the greatest heritage any country can have.

A spirit of the kind I have mentioned must be fostered; it must be grounded deep. As the Minister of Trade and Commerce

said, the roots must be struck, and that is the greatest root you can possibly strike. It is a queer kind of imperialism that would say: If you build up your own country, if you give faith and pride to your own people, that is not the best imperialism. It has appeared to me for a very considerable time that the great trouble amongst many of the people of Canada is that constant talk of imperialism has developed a maudlin imperialism as against a good self-reliant Canadianism; and I believe the sooner the people of Canada get rid of that idea the better for them and for the country.

The hon. member for Sunbury and Queens (Mr. Hugh H. McLean) says he is a strong imperialist. It struck me that perhaps he had been with the right hon. the Prime Minister, and had libated some of that atmosphere of which the hon. the Minister of Trade and Commerce spoke; and that, having lived in the atmosphere, he had changed his views and had come back an entirely different sort of imperialist. He said we must have ships in the fighting line, and he swelled his chest up and said: I for one believe in paying to have ships in that fighting line; that is the proper imperialism, that is my idea of what we should do rather than develop a Canadian navy and a Canadian spirit. It looks to me very much like nickel-in-the-slot imperialism: he pays and he gets, but he does not do. You do not man, you do not equip, you do not maintain, you do not send out your brawn and your blood. There is something which builds up a pride in ourselves and in our country; but instead of that, you take the dollars; you pass them over, and say: We have paid our shot, we are immune. It does appear to me, speaking in all sincerity, that that is not imperialism and not empire-building in the true and absolute sense of the word. It is nothing more nor less than going back and back and back, pursuing a policy of centralization, and not a policy of every dominion taking care of itself and being self-reliant.

I shall read to the House a short extract from a speech of Sir George Reid, the Australian commissioner. It has been said, and is laid down even to-day by hon. gentlemen opposite, that one of the reasons we are doing this is to relieve the British taxpayer, that patient, toiling, steadfast British taxpayer. What does this mean? Are we relieving the British taxpayer or not by the course this Government is pursuing? Sir George Reid said:

> The Australian navy will not cost the taxpayers of the Mother Country a farthing. The Canadian navy will cost them $1,900,000 annually—the up-keep of three dreadnoughts. Our fleet is being rapidly put together. Admiral Henderson's scheme involves a very large expenditure during the next few years. When the scheme is completed there will be a fleet of about fifty-four vessels. I think it is very important that the British dominions should answer the call of the sea. It will be a bad day for the British race when it does not. One of the arguments in favour of colonial navies is that in days to come the dominions will undertake the defence of the seas adjacent to them, thus relieving the Mother Country immensely. I can see no reason why the North Atlantic and Pacific stations should not be handed over to Canada and the China station to India. Australia has already taken up the guardianship of the southern seas, and doubtless South Africa might develop some sort of naval force. That would leave to Great Britain the work of defence in the North sea and the Mediterranean, and, of course, the leading share in defending the ocean tracks of Imperial commerce. I think that would probably be a better arrangement than having only admiralty fleets, and no fleets in connection with the dominions. At the rate at which the dominions are now developing such a state of things could not last. It is only natural that communities, like individuals, should spend their money much more freely upon things which they can call their own than in buying things for the 'old man.'

That is what Sir George Reid has been saying and in that connection I wish to quote the following despatch which gives the opinion of the Manchester Guardian:

> London, Feb. 7.—The Manchester Guardian to-day, discussing the naval policies of the dominions, says that the Australian plan of having its own fleet in its own waters puts the whole strength of the nation into the fleet, whereas the present Canadian plan divides it, and has already set party against party.
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> 'The Australian plan is likely to produce new ideas, whereas the Canadian plan will produce deadening uniformity in naval ideas,' the paper adds. 'Increase in the force at the disposal of the Admiralty would be dearly purchased if it divorced the strength of the colonial nationality from the sea. The present Canadian Bill is in some danger of doing that.

When you read that speech of Sir George Reid, and when you take into consideration the fact that one of the main objects of this proposal is that Canada should relieve the British tax-payer, you see that you send Britain nothing but an empty hull; you do not man, you do not maintain, you do not equip these ships. Does it not remind you of the cartoon which represents old John Bull standing by the side of a small stream with strings attached to three dreadnoughts, pulling them up the river and saying to himself, 'Three more pups to feed.' Surely Canadians ought to have more national pride than to allow it to be said for one instant that when we had a man's job to do we did not do it in a man's way. We are told that it would cost more if we did not go about discharging our duty as it should be discharged; but suppose it cost fifty million dollars as against your thirty-five million, what great differ-

ence would that make in view of the abundant revenue resources of this country? Not only would it make little difference in the yearly expenditure, but suppose you did spend your fifteen million dollars extra, you would simply be putting it back into the pockets of the taxpayers of the Dominion, who would build your ships.

We were told with a great flourish of trumpets that the Prime Minister when in England said that Canada would not be an adjunct even to Great Britain, and that if we were to furnish these three dreadnoughts and give the thirty-five million dollars, we were to have a representative upon the defence committee and a voice in the question of peace or war. Much Canada wants a voice in peace or war! You have only to look at the present state of affairs in Europe to realize how infinitesimal for good or evil would be the voice of a Canadian member on that defence committee. Suppose for the sake of argument other European countries including England should become embroiled in the Balkan war, does anyone think for a moment that the voice of Canada on the defence committee would have any effect at all in deciding for peace or war? It will be a sad day for Canada if she thus becomes embroiled in European politics. I do not believe such was ever intended to be the mission of the colonies of the Empire; I believe our duty to be to do our share for the Empire's sake when the Empire calls us. In view of the unanimous resolution passed in 1909 it is no wonder that hon. gentlemen on the Government side do not care to commit themselves upon this policy; it is no wonder, as indicated by their silence, that they shrink from a declaration in favour of it.

I now come to the question as to whether or not British statesmen or leaders of public opinion in Great Britain desire that we should do what is proposed to Parliament by the right hon. the Prime Minister. I cannot do better, in that connection, than read an article from the Times weekly edition of November 29, 1912; not during the proposed emergency in 1909, but in November of last year. The Times said:

Firmly as we trust that peace will be maintained, a moment has come in European affairs when every nation with interests and friendships to preserve must look to its resources and strive to appraise their work. Is British power still adequate to hold its great position and guard its heritage? We believe that it is. It may be said—and said, we fear, with justice—that the nation has not profited as it should by the trials and reverses through which it passed in the early months of the South African war. There is much that remains to be done which should have been done before. Our military forces, effective though they are in proportion to their strength, are below the standard which our interest requires; and the British people as a whole, far as they have moved towards that ideal, have not as yet accepted the universal duty of manhood in its country's defence. But when these admissions are made, there yet remains the strongest ground for confidence in the spirit of the people and the power which their rulers wield. The last ten years have witnessed an immense increase of efficiency throughout the British fleet. It has never reached a higher pitch of training and readiness for war. The service believes in itself and in its ships; the nation believes in them too. We are ready in our own eyes to meet the emergencies of the moment in any form which reason suggests that they may take; and we know that as a people we do not stand alone. The action of the dominions in stepping to our side at the crisis of the South African war was a sign to all the world that in any great emergency the self-governing Empire is one. The signs are even clearer to-day. Every great dominion has undertaken, or is now to undertake, the creation of a fresh centre of naval power. Their growing strength is our strength, as ours has always been theirs. As a material factor that movement already means much; as a moral factor its value is inestimable.

The need of joint security is plain enough to all, but the principles are still to be worked out. It is Great Britain's task for the present to maintain the naval strength required by Imperial interests in European seas, and Great Britain is fully equal to it. But Imperial interests stretch beyond the boundaries of Europe; they stretch across the Atlantic from end to end, and right across the other two great oceans of the world. Though the sea indeed is all one, it is not sound strategy to urge that a North sea standard should be posed as our universal criterion of naval power. Let us fix a European standard according to our European needs, which this country alone is able and ready to meet; and let us then in consultation with the dominion governments decide the needs of security elsewhere. The dominions will require our help even there; but let up keep the two spheres distinct, and reckon on dominion ships only in the wider extra-European sphere. Each of these systems will make for the highest possible efficiency in the conditions of each sphere; but they will not easily amalgamate. Mr. Churchill has already stated his belief in such a division of the Empire's naval work, and we look to him to make his declaration good.

This article shows conclusively that the best thought of Great Britain favours the policy propounded by the right hon. Sir Wilfrid Laurier, as the best for the Empire. I want to read one more, and I am through, I think, with quotations. Although this is from that obscure paper, as the Minister of Finance terms the Canadian Courier, it strikes me that it is one of the sanest imperial articles that I have read upon this subject. It appears in the issue of January 18, 1913:

This is more than a national question. It is an imperial policy which we are called upon to aid in deciding. Our decision on the navy question must be duplicated by the people of Australia, New Zealand and South

Africa. That famous non-partisan resolution of March, 1909, passed by the Canadian House of Commons, was duplicated in the same month of the same year in Australia, New Zealand and South Africa. That resolution did not originate in Canada; it came from London. Its authors intended it to show to the world that the overseas dominions were behind the United Kingdom in the defence of the Empire and in the maintenance of the world's peace.

To-day, as in March, 1909, Canada must do what Australia and New Zealand are willing to do. The three countries must act in concert or the effect will be spoiled. If Mr. Borden decides to ignore the wishes of Australia and New Zealand, then he is striking a deadly blow at the Empire which he professes to admire.

Canada has no right to act alone or in opposition to the other dominions. All the colonial and Imperial conferences of the past have had but one object—to unify the internal and external policies of the different parts of the Empire. If Canada to-day decides to ignore Australian and New Zealand ideas in the matter of separate fleets, then she is up setting the good work of the past twenty-five years in behalf of Imperial unity and Britannic co-operation.

That strikes me as being absolutely sane, logical and, in the very highest sense, imperial. They simply say that if the other dominions of this Empire are proceeding along the same lines that we intended to proceed along by the resolution of 1909, Canada, by adopting any other course, is adopting a selfish course, and is stultifying herself not only in her own eyes but in the eyes of the Empire. It appears to me that the sentiments in that article breathe true Canadianism and true imperialism, and that they do not, as the present shift of the Government, breathe only party imperialism, as the Government resolution does. I cannot help thinking that the Government and their supporters in this House are in their own hearts not particularly in love with the policy that to-day they are advocating. I am perfectly satisfied that if they were left to their own sweet will, good Canadians as I know many of them are, and as I hope they all are, would, one after the other, get up and declare their Canadian sentiment and their belief in a Canadian navy. They are pursuing the policy which they are now following because political exigencies are driving them to it. They are doing it as a makeshift for the purpose of doing something as a salve to their consciences, so that at least they may say: Oh, we did something, it was not much good, but it helped along, and we did it. It is very much like the old David Harum proverb that flees are good for a dog because when they get upon his back they keep him from brooding on being a dog. They are salving their political consciences, they are making a makeshift of this policy, and they are doing it for party purposes to cover the exigencies of the moment.

That this is a permanent policy there is absolutely no doubt. The hon. member for Brantford (Mr. Cockshutt) let the cat out of the bag when he spoke of 'contributions,' not of 'a contribution,' and up to the present moment, although this debate has gone on for the past month or more, we have never had one single syllable from one hon. gentleman on the other side of the House intimating that a permanent policy was contemplated or was in process of being arranged. It is all contributions; it is permanent. This year it will be so if the money is voted; next year it will be again, and in two or three years there will be another, and so it will go on until we have come to consider ourselves as Canadians only in so far as we can say that we have a member on the Imperial Defence Committee, we simply paying our shot year after year and doing nothing in the way of empire-building or in the development of the country.

An emergency! I do not believe the stoutest-hearted of the Government supporters will stand up and say in this year of grace 1913 that there is an emergency. An emergency was all right in December, or in November; then, there was a great flourish of trumpets about the emergency. We had a memorandum read to this House that disclosed absolutely nothing in the way of an emergency; but it was made to do sturdy duty. It has gone on from week to week and from month to month until this the 11th day of February, 1913, when, to the bitter chagrin of hon. gentlemen opposite who are still holding to the position that this contribution must be made because there is an emergency, an article comes out in all the leading morning papers on both sides of politics that to-day practically the entente cordiale has been reached as between Germany and Great Britain, in so far as naval programmes go, and that henceforth the huge race in armaments is to cease. This emergency came from Germany; it was always the German people who were going to attack England, who were going to attack the colonies over the seas, who were going to attack Canada. Now, in face of this, what becomes of the emergency? It has vanished into the thin etheral atmosphere; there is nothing left of it. There is absolutely no justification now for Canada offering that $35,000,000 to Great Britain for the building of three dreadnoughts, because forsooth there is a German peril. It has gone the way of all good things that rise up now and then to relieve the exigencies of a political party. It helped them for a day or two, but the time was soon over. To-day they are back to where they were, with no emergency; and in so far as that part of it is concerned, no argument whatever can be adduced.

Taking all these matters into consideration, I maintain that there is no defence for the proposition of the contribution of

$35,000,000. It is bad as a Canadian proposition; it is bad as an Imperial proposition. There is no justification whatever for the right about face on the part of the members on the Government side of the House from their position of three years ago. They have not shown any justification for it, and they will not be able to do so to the people of the country, when they appeal to them, if they have nerve enough to do so. Although party exigencies may be great, a political party should be greater than two short years ago to lay down a policy which was good, a policy which was Canadian in the utmost sense of the word, a policy which was Imperial enough to satisfy the most imperialistic, and then merely for party purposes, to turn right about face and give us an entirely different bill of fare. What says Lord Charles Beresford, the man whom the Conservatives of this country two years ago heralded as the man who was to come here and say that the naval policy of the Laurier Government was not the proper policy for the needs of the Empire? He has been quoted by members of the opposite side of the House as one of the greatest living naval authorities. No later than December 6, 1912, he said:

> What I recommended that the Dominions do was to defend their end of the trade routes with strong naval bases, mines, torpedo-boat destroyers and light cruisers. The trade routes are unprotected, and now our danger is starvation, not invasion. The country was deceived and fooled by statements regarding the dreadnoughts of other nations. We were insulted by being told a dreadnought could sink their whole fleets. The people speak of nothing but dreadnoughts, quite forgetting that a fleet is composed of a variety of units, any one of which being defective or short jeopardizes the whole.

Sir Charles Tupper, as was shown by the hon. member for St. John (Mr. Pugsley), endorsed most heartily the resolution of 1909. With the rest of the Conservative party, he is right about face to-day. So is Sir Richard McBride. Sir Richard McBride, in England and elsewhere, was giving interviews day after day, endeavouring to the best of his ability to get himself into the newspapers by saying that the Pacific coast must have a fleet unit. To-day he is right about face with the rest of them and says: Mr. Borden has indeed risen to the height of his opportunity by giving $35,000,000, and leaving the Pacific coast without a fleet unit. For my part I cannot see it in that light. The true policy for Canada to pursue is to maintain her own local self-government in all matters military or naval, at all times ready for the call of duty to her own country or to the Empire at large, at all times ready to take her share, but that share always being commensurate with what is best for the Empire and for Canada. My Imperialism is of this sort. I am a believer in the idea of the Canadian nationality, holding with the utmost persistence to the Liberal view that the Dominion of Canada would reach its best development and would best maintain its prestige and maintain the integrity of the Empire by claiming and exercising the maximum control of its own affairs, while trusting to the sole bond of sympathetic admiration and intelligent appreciation as a means of keeping the Dominion of Canada within the Empire as one of its integral and more influential parts. There is, as I said in the beginning, an absolute line of cleavage between the two policies. I see no compromise whatever. We are fighting for the essence of Liberalism, self-government and self-control.

In conclusion, I wish to say that I thoroughly support the amendment of the hon. the right hon. leader of the Opposition, believing as I do that it is Canadian and Imperial in the very best sense of the words; and that it is worthy of the man who brought it forward, the greatest statesman that the Dominion of Canada has yet produced.

Mr. A. **VERVILLE** (Maisonneuve): Mr. Speaker, it was not my intention at first to take part in this discussion; but three things have forced me to a certain extent to do so, in order to let the House know my views on this very important question. The first is the utterance of the Prime Minister when he moved this resolution in this House, when he mentioned that he thought it would take from twenty-five to fifty years for Canada to be in a position to set a navy in operation through the shipbuilding industry of this country; the second one is the absolute silence of the French Canadian members on the other side of the House on this very important question; and the third one is the speech of the hon. member for Queens (Mr. McLean), who has put the finishing touch of imperialism in this House. I wish to speak, of course, in the name of labour. Labour organizations are on record in so far as navy armaments are concerned; the farmers as well as the grain growers of this country have also passed resolutions in that respect, and different church societies have done the same thing. None of them have yet gone so far as to say that we had not to get police protection. Police protection, in the sense in which it is understood by the labour men of the country, is easily understood by every member in this House. We acknowledge that police protection is needed for the country, just as it is needed for a small town or for a city.

Of course, there is an enormous difference between police protection and very heavy armament. We are in favour of police protection in our cities; we are in favour of police protection on our coasts, that is, we are in favour of having to some extent ships to safeguard our trade on the Pacific and on the Atlantic. We have discussed this matter for quite a length of time; and I have heard a great deal said about war, but very little said about peace. Of course, I will not speak of war, for I think enough has been said on that subject—about German scares and all the other scares of the world. First, I would ask: who wants this war? Who wants all this armament? We have been told here more than once that the ship-builders of Great Britain are very anxious to build as many dreadnoughts as possible. I suppose that anyone in business would like as much work, in order to make as much profit as he can regardless of the burden that may be imposed upon the people that are supposed to pay for it. Now, the labour men not only in Canada, but of Great Britain, of Germany, of France, and of Switzerland, are on record lately as stating that before a war is declared between England and Germany, or between England and France, the labour men of these countries, who are supposed to be behind the guns, will know what the war is for. They have made up their minds, that, instead of going to fight for the pleasure or the benefit of a few, they will declare, at the right moment, a general strike so as to keep the army at home to maintain peace in the army's own country. The different labour congresses have passed resolutions in this sense; and I believe that what I have read in some papers in the last few days about a German scare is exactly the result of what I have just mentioned. A year ago or a little more we heard of that Moroccan affair in Europe, and Germany was going right into the fight. But in Berlin the capital of Germany, there was a gathering of a hundred thousand people who protested against having the German soldiers go against their fellowmen without knowing something about it. Let me illustrate the idea by referring to pictures which I saw in the Literary Digest of last December. On one page a poor soldier was represented lying on the ground while over him another was threatening him with his bayonet. The poor soldier on the ground, looking up says: 'You are a brother of mine; what harm have I done you that you wish to kill me? And the other answers: I know you have done no harm.' 'Why, then, do you wish to kill me?' 'I do not know; I have been ordered to do it.' Another picture represented labour as a giant with his arms folded, and beside him a little, wee fellow representing the crowned heads of Europe, and under the picture the question, 'Suppose he will not go?' That illustrates how it is that we are to have peace; for the labour men of these countries have made up their minds that before they go to war—and they are willing to defend their rights and their country—they want to know what they are fighting for. The forty-one members of the House of Commons of Great Britain have brought about the same state of affairs which we now see in England. The one hundred and ten labour members in the legislature of Germany, have done the same. Coming wars are supposed to be in the industrial as well as on the economic fields. If we devoted one-half, or even one-quarter of the time now given to discussing war to making war on the economic and industrial evils, we could do a great good for mankind and for our country.

It has been said here that Great Britain had not men enough to man her warships, but no reason has been given why they had difficulty in getting men. The difficulty in getting men is exactly what I have stated. You can get men to man your warships in order to keep peace and order. You can get good men for your ships in this country, as many as you like, but not for twenty-eight cents a day. They will go on the ships on one condition, and that is to maintain order. At the same time, if they are supposed to be sent anywhere they want to know why they are sent?

One thing I wish specially to refer to is what has been said about the necessity of waiting twenty-five or fifty years for work to be done. This has been weighing on my mind ever since we heard about it in this House. I have travelled in a good many parts of this country, and also in the United States, and, though I have found very few workmen as good as Canadians, I have found none better. I would not like to say that it was an insult to the workingmen of this country to speak as some hon. gentlemen have spoken in this House. But, at the same time, I would like to ask the Prime Minister if he would be willing to go to the city of Halifax and say to the 28,795 employees in the 1,480 industries in Nova Scotia that they are not competent to do the work that they are called upon to do in the old and new industries going up there. I would ask the Minister of Marine and Fisheries (Mr. Hazen) whether he would be willing to go to St. John and tell the 24,775 employees in the 1,158 different industries in that province of New Brunswick that they are not competent to administer the business and produce the very best kind of goods that can be produced. I would like to ask the Minister of Justice (Mr. Doherty), if he were in the House, if he would be willing to go into his own riding, or the adjoining riding in Montreal, and tell the employees

of some of the works in that city that they are incompetent to roll plate, to do the rivetting and the other work in connection with the construction of ships. I would like to ask the Secretary of State (Mr. Coderre) if he would be willing to go into his own riding and tell the working people of the great textile industries, the Canada Car Works and many others, that they are not competent, that they are not intelligent enough for their work, but must send across the water for men competent enough to carry on the work in their own industries. I would ask the Postmaster General (Mr. Pelletier) if he were here if he would be willing to go to Quebec and tell the men of the industries there that they have not intelligence enough for their work. I refer especially to the city of Quebec, for that is exactly where the old shipyards used to be in days gone by, where the very best wooden ships in the world were built. And to-day in the different shipyards of the country, they are sending to Quebec every now and again to find whether possibly there may not be a man or two idle who will take part in the building of wooden vessels. I would ask the Minister of Inland Revenue (Mr. Nantel) if he is willing to go to Ste. Thérèse, in his riding, and tell the proprietors of the furniture factories in that little town that they are not competent enough or sufficiently intelligent to do the work they are called upon to do? I would ask the ministers from the province of Quebec if they are willing to state that 158,207 employees in 6,584 different industries in that province should be classified as incompetent? Would they be willing to tell the Dominion Bridge people that they are not capable of constructing large iron works and carrying out important engineering projects; that they were not competent to build the Victoria bridge, the second largest structure of its kind in the world, and one of the finest pieces of engineering of its kind in existence; that they were not competent to build the Canadian Pacific railway bridge at Lachine? Does the hon. member for St. Antoine (Mr. Ames) believe that the persons engaged in the shoe industry at St. Hyacinthe are incompetent and incapable of carrying on the business connected with that important industry? Would the Minister of Railways and Canals be willing to state that 238,817 employees connected with 8,001 industries of the province of Ontario are not fitted for the work in which they are engaged, and for the work which would be involved in the carrying out of a proper policy in regard to the important matter now under discussion? Surely the hon. member for Kingston (Mr. Nickle) is not willing to say that the Kingston locomotive works are unable to supply the engines necessary for the construction of big ships? What does the hon. member for North Simcoe (Mr. Currie) think of the Collingwood shipyards, and will he state that they are not properly carrying out the work in which they are engaged? Does the member for West Algoma (Mr. Boyce) consider that the great steel works in his constituency cannot produce the steel necessary for the construction of ships for a Canadian navy? The hon. member for Brantford (Mr. Cockshutt), who often speaks in favour of the lobouring man, would surely not attribute incompetency to the workingman in the plough works of his city. I do not wish to forget the Minister of Finance in this argument, and I would remind him that when the Dominion Iron and Steel Company issued its second allotment of bonds for $1,000,000, they were all taken up by the Bank of Montreal, and they still remain in the vaults of that bank. The Dominion Iron and Steel Company has ordered and received all the machinery necessary to roll plates of all kinds for all classes of cruisers, the expenditure for which was decided upon by the directors and accepted by that great financial power of the country, the Montreal Bank. Will the Finance Minister say by his vote that the directors of this steel corporation and of the Bank of Montreal were altogether wrong when they relied on the skill of their workingmen and employees? I am firm in the conviction that the workingmen of this country are able in a short time to do the work connected with a Canadian navy for Canada. In this connection I might mention the fact that the number of industries in Canada in 1905 was 15,796, with a capital of $846,585,023, the number of men employed being 392,530, who received a total salary of $165,100,011. The productive value of these industries was $718,352,603. In 1910, after a lapse of only five years, there were 19,218 industries, an increase of 3,522, with a capital of $1,247,583,605, an increase of $400,998,586—almost five millions a year. There were employed 515,203 workmen—an increase of 122,673—who were paid a total salary of $241,008,416, an increase of $75,908,405. The productive value of these industries in 1910 was $1,165,975,639, an increase of $447,623,036. These figures, to my mind, strongly indicate the fact that the workingmen of this country, as employed in the different industries, are capable of undertaking and successfully carrying out any work pertaining to the construction of ships in Canada. We are asked to send $35,000,000 to Great Britain, and at the same time the great Manufacturers' Association advertise throughout the old country for workmen, they say to mechanics, 'Come to Canada, things are prosperous, you can make a good living, there is lots of employment.' On the other hand, the Government say, 'Never mind,

we will send $35,000,000 across the water to keep you home, we do not want you here. It sounds that way to me. If we are advertising for mechanics on the other side of the water let us keep that money right here and furnish them work when they come, in building the necessary ships. I claim also that the shipbuilding industry must absolutely be established here. If there is a country in the world that should have a good shipbuilding industry it is Canada. It has been said again and again that we have all the material necessary to construct ships; it has also been stated that seventy-five per cent of the cost of these ships is paid out in wages. I shall not go into detail of the wages paid as it would take too long. To show that this contribution is not the last but the first I would refer to the speech of the hon. member for Lambton (Mr. Pardee). It is evident from his reading of the resolution of 1909 that it was exactly the same resolution that was to apply in the different dominions. They have also in other dominions their majors and their colonels, they also have great supplies of materials. Only on January 25 I read in the London Times the following:

In the Union House of Assembly to-day Major Seiburn gave notice that he would move on February 4th a resolution that the Union should make an annual contribution to the Imperial navy based upon a percentage of the total revenue of South Africa and varying yearly in accordance with the fluctuation of the exchequer.

Mr. Hagga- (Labour) intimated that he would move on January 28 a resolution deploring the enormous waste of capital on naval amendments and expresing the opinion that should the Government decide to increase the naval contribution such increase should be raised by a special tax and not by the general revenue.

I would not ask this House to impose a special tax for the $35,000,000, but I strongly believe that the majority of the people of Canada, and a good big majority at that, would like to be consulted on this important question. I believe if the electors of Canada were consulted in the proper time the great majority of them would pronounce against the sending of our money to Great Britain to have the ships built there. As between the two policies now before the House, if one must be adopted I would very much prefer to adopt the second one, but surely common sense teaches every sound thinking workingman in the country that they would rather have the work done here at home than to send the money to let other people do the work for them. I would, therefore, move, in amendment to the amendment:

That the following words be added at the end thereof:—'and the consent of Parliament should not be given to this resolution until it has been submitted to and received the approval of the electors.'

Mr. W. F. CARROLL (Cape Breton South): I rise to make a few observations from a sense of duty to the people who sent me to represent them in this House. This question is, to my mind, the most important that has engaged the attention of Parliament since Confederation. In addition to being an important question it is a new departure. The Canadian people are asked to make a new departure from the well-beaten paths, which they have been taught to tread since the days when we were given to understand that we have all the blessings and rights of responsible government. This is not, of course, a new question in this Parliament. It was discussed in 1908 as well as in 1909 and 1910. It took formal and definite shape in 1909 by a resolution which passed the Canadian Parliament unanimously. Although that resolution has been read more than once during this debate I shall read it again in order to place it upon 'Hansard.' It was as follows:

This House fully recognizes the duty of the people of Canada, as they increase in numbers and wealth, to assume in larger measure the responsibilities of national defence.

The House is of opinion that under the present constitutional relations between the Mother Country and the self-governing dominions, the payment of regular and periodical contributions to the Imperial treasury for naval and military purposes would not, so far as Canada is concerned, be the most satisfactory solution of the question of defence.

The House will cordially approve of any necessary expenditure designed to promote the speedy organization of a Canadian naval service—in co-operation with and in close relation to the Imperial navy, along the lines suggested by the Admiralty at the last Imperial Conference and in full sympathy with the view that the naval supremacy of Britain is essential to the security of commerce, the safety of the Empire and the peace of the world.

The House expresses its firm conviction that whenever the need arises the Canadian people will be found ready and willing to make any sacrifice that is required to give to the Imperial authorities the most loyal and hearty co-operation in every movement for the maintenance of the integrity and honour of the Empire.

To me, a young member of this House, it does seem passing strange that hon. gentlemen like the Prime Minister and the Minister of Trade and Commerce, who supported that resolution of 1909 with all their ability and force of eloquence at their command, should, two short years afterwards, be found contending for a policy entirely different, and in so doing turning the greatest political somersault in the history of political acrobatism. I would like to

know what has caused these gentlemen to so readily change their views. Has anything occurred within the Empire or without the Empire to make the good policy of two years ago a bad policy to-day. In 1909 the Empire was supposed to be in peril, and Germany was making such rapid strides in naval construction, that many held the view, honestly no doubt, that the ultimate design was the conquest of England. The newspapers were full of scare headlines announcing the emergency, but strange to say in that crisis the Prime Minister and the Minister of Trade and Commerce supported a resolution which had in view the building of a Canadian navy as a policy sufficient to meet that emergency. Again I ask, what has since occurred to cause these hon. gentlemen to take such a political somersault. Is there a greater scare in 1912-1913 than there was in 1909; is there a greater emergency? Sir, I contend that there is absolutely not a shade of reason for saying that any emergency exists to-day. I have given this subject considerable attention. I have read the speeches delivered in this House in 1909; I have listened to the speeches delivered by these hon. gentlemen this year, and I fail to see wherein they have given any cogent reason for this sudden reversal of policy. If the only adequate way to meet the supposed existing emergency is a contribution of $35,000,000 to the treasury of the Empire, how does it come that the genuine emergency which existed in 1909 could be met by the building of a Canadian navy. Well, Mr. Speaker, the fact is that there is no emergency existing now, and even if an emergency did exist, I hold that the policy announced by the Prime Minister is not adequate to provide against it. If the British Empire is threatened by Germany or by a combination of European powers, can any sane man think that because Canada sends $35,000,000 to the Imperial treasury, the enemies of England are going to call off their dogs of war? Thank Heaven no real emergency exists, and judging by the outlook of European affairs at the present time, it will be many and many a long year before England is confronted by any emergency. It is true that the Prime Minister in presenting his proposal to Parliament did not argue very strenuously that there was an emergency, and it is also true that he gave few reasons in explanation of his change of mind on Canada's naval policy. There is nothing in the Admiralty memorandum which he submitted to show that an emergency exists, and so we have to look elsewhere for an explanation of the latest Conservative policy. It is well to remember that in the last days of last session of Parliament, the Minister of Marine, in reply to a question as to what the intentions of the Government were with regard to the Laurier Naval Service Bill, answered: we intend to repeal it. The fact is that the Quebec Nationalists insisted on the repeal of the Naval Service Bill, in order to save their faces. Canada can only assist the Empire by building her own navy or by sending contributions to the Imperial navy, and forced by the Nationalists to abandon the Naval Service Act which provided for the building of a Canadian navy, nothing remained for the Conservatives but to send a cash contribution; a thing which was vehemently and vigourously condemned in 1909 and 1910 by the Prime Minister and by his lieutenant the Minister of Trade and Commerce.

The ministers went to England after having made the public announcement that the Laurier naval policy was to be repealed. I presume that they told the Admiralty this fact. What was there left but that the question should be put to the Admiralty as to what they thought best to do? What answer could the Admiralty give? Could they tell the right hon. Prime Minister that the best policy would be to build a Canadian navy? They could not. It was a matter of publicity on this side of the water that the Canadian Government had no such intention. They could give only one answer and that answer was: Give us a cash contribution and we will build the ships.

It has been argued by hon. gentlemen on the other side of the House that there is a real emergency. My hon. friend from Queens and Sunbury (Mr. McLean) who, it is said has broken with his party on this question, has told us that we should believe that the Premier has some secret information to the effect that there is some real emergency and that this information is of such a secret character that it could not be divulged to the public Well, Sir, where would the right hon. the Prime Minister get such information? He certainly would get it from the responsible ministers of the Crown in Great Britain; he certainly would get it from such men as Mr. Winston Churchill, First Lord of the Admiralty, and he would probably get it from the Premier of Great Britain. These are the men who hold the state secrets of Great Britain. If either of those gentlemen, or any responsible member of the British Government, gave the right hon. leader of the Government of this country reason to believe—and these reasons were to be held secret—that there was a real emergency, then I say that these hon. gentlemen are not fair to themselves as responsible Ministers of the Crown, that they are not fair to the people of Great Britain or of the British Empire, because all their public utterances on this question since

1909 down to this year of grace 1913 would go to show that they have had every confidence that the navy of Great Britain is at present and will be as it will be constituted in a few years, perfectly capable of defending Great Britain against any and all enemies who may threaten her. You need not depend on my word for this. I have the utterances of some of these British statesmen whom I have mentioned and which have already been read to this House, but a good story can never die of age nor of frequent telling. I wish the House to bear with me while I read to show that there is no reason in the world why we should think that there is any justification for panic, for alarm, or for thinking that the British Empire is threatened with any sort of naval or other emergency. On July 10 last, Sir Edward Grey, Foreign Secretary, speaking in the House of Commons regarding England's foreign relations, said:

Our relations with the German Government at the present moment are excellent. (Cheers.) We are perfectly frank with each other about all questions of mutual interest, and I believe that when questions come up, whether they be, for instance, in connection with our respective interests in South Africa, or whether they be in connection eventually with the Baghdad railway, both Governments are convinced that their mutual interests can be perfectly reconciled.

Speaking in the House of Commons, July 25, 1912, just a year ago and about the time that three or four members of this Government went to England seeking an emergency, Mr. Asquith, the Prime Minister of Great Britain declared that:

Our relations with the great German Empire are, I am glad to say, at this moment—and I feel sure are likely to remain—relations of amity and goodwill. (Cheers.) My noble friend, Lord Haldane, the present Lord Chancellor, paid a visit to Berlin early in the year. He entered upon conversations and an interchange of views there which have been continued since in a spirit of perfect frankness and friendship, both on one side or the other.

That is as far as the friendship or enmity, if you like, between England and Germany, is concerned. In so far as Great Britain being able to take care of herself is concerned, on July 2, the eve of the arrival of the Canadian Ministers in London, there was a debate in the House of Lords upon the naval position in the Mediterranean, and, speaking officially on this occasion on behalf of the Government, Lord Crewe said:

So far as our existing position in any part of the world is concerned, we are not afraid to declare that we consider the security of the country is achieved.

And proceeding to explain the basis of this emphatic declaration, Lord Crewe added:

Taking March 31 of this year, we find that we have sixteen battleships and battle cruisers of the dreadnought type, as against fifteen possessed by all the other powers in European waters. Next year we shall have twenty-four ships of this type as against twenty-one possessed by all the other naval powers in Europe. These battleships represent a distinct margin over the two-power standard.

I could go on citing the statements of other ministers of the Crown to the effect that England is well able to protect herself, that there is no panic, no alarm, no emergency. I take the ground that if there is an emergency at the present time, the remedy proposed by the Government is not an adequate one. We send $35,000,000 to the Old Country to be constructed into battleships. These battleships will be built three years hence. At the present time one of the greatest difficulties which the Admiralty have to contend with is not connected with the building of ships, is not in getting the money to build the ships but it is in connection with the manning of these ships. At the present time the shipyards of England are busy, they are overworked, building not only dreadnoughts, not only cruisers, but merchantmen to carry the commerce of England. How is this contribution of $35,000,000 going to overcome any emergency if one exists? Well, an answer has been given; the hon. Minister of Marine and Fisheries (Mr. Hazen) told us in this debate that it was going to have a moral effect inasmuch as this contribution of $35,000,000 would dissipate all this war talk in Europe. They would point to Canada and say: Oh, we must not go to war, because Canada has contributed $35,000,000 to the treasury of Great Britain; borrowed it from millionaires in England and handed it back to the treasury. That was the moral effect. In my humble estimation, as a young Canadian, the moral effect would be greater if this Government and this Parliament would undertake to build warships, and construct docks and shipyards in this country for the construction of ships. If ever the time comes when there is a real emergency, when the shipyards of England will be full to overflowing, and when they will be working overtime and cannot give attention to the building of the warships which would be required, if we had both on the Atlantic and on the Pacific coasts large shipyards where dreadnoughts and other ships of war could be built, it would be of a greater moral support at the present time and also a greater material support in the future than any contribution scheme of $35,000,000 or more would be.

The hon. Minister of Marine and Fisheries stated in his speech that we owe a great deal to the British Empire, that Great Britain has spent thousands upon thousands of dollars, yea millions upon millions of dollars, in years past for the defence both naval and otherwise of Canada. He pointed out that fortifications at Halifax and Esquimalt were maintained for years by the British Government, and we contributed not a cent. He gives this as an instance why at the present time we should pay $35,000,000 to the treasury of Great Britain. We on this side of the House admit quite as freely as hon. members opposite that we owe a great debt to Great Britain; but we go further and say that we owe a greater debt to Great Britain than the one indicated by the hon. Minister of Marine and Fisheries. The debt he indicated took the shape only of money; but we owe a debt of gratitude to Great Britain, which we could never pay if we gave them the revenues of Canada for a hundred years to come, because they have given us in this country that excellent British institution, responsible government, that boon of responsible government, which I say is at least threatened to be destroyed by the present idea of sending $35,000,000 to be spent across the water without the people of Canada having any say as to how it is to be spent. We admit we owe this debt of gratitude; but I would rather say, if this $35,000,000 is going to pay this debt of gratitude, as was indicated by the hon. Minister of Marine and Fisheries, that it is rather a poor payment, because, when we needed it, Great Britain contributed to the peace and safety of Canada not by money alone, but by men. I think, if this is going to be a payment, that we should also contribute men. The Postmaster General (Mr. Pelletier) tells us: Oh, no, we must not contribute men; why should we contribute men, when we can get men for twenty-eight cents a day to join the British navy, whereas it would cost, forsooth, $10? No, Mr. Speaker, but fifty cents a day on this side of the water. Well, that is a serious matter. It is a serious thing for a responsible minister in this country to give as his greatest argument why we should not contribute Canadians, brave as the bravest of the English, that, forsooth, we can get men for twenty-eight cents a day in the Old Country, and we would have to pay fifty cents a day if we got good young Canadians. I rather think we would have to pay them more. It does not come with very good grace from a gentleman, who is receiving in the vicinity I should say of $35 a day, to complain that fifty cents a day would be too much to pay the people who, acting in the naval service of this country, would be defenders of Canada and of the Empire. That is the imperialism, the high-toned imperialism, which comes from hon. members of the Government. If it came from some humble individual like myself, it would not be so bad; but coming from a man who is supposed to look at these questions in a broad and national aspect, I think, as the Irish woman said, it is very small potatoes.

Comparing the proposals of the Government and the proposals as outlined by the right hon. the leader of the Opposition, to the mind of a Canadian there can be no doubt as between a cash contribution of $35,000,000 or a Canadian navy built, maintained and manned by this country. I think that a very fair idea may be had from the English press in regard to this matter. I am going to read extracts from two of the most prominent papers in Great Britain on this question. Mr. W. H. Massingham, editor of The Nation, writing in the London Daily News and Leader on the subject of Canada's participation in naval defence and the manner of that participation as advocated by the Borden Government, says:

> **We are in no danger from Germany, we** never have been, we never shall be. We can always hold our own. If the colonies come into a free demonstration of naval sympathy, and even of material support, that is very fine and very encouraging, and it will be duly noted and weighed in the chancelleries. But do not let us have an element of falsity, of exaggeration, in this important episode in our Imperial life.
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> **For, after all, the offer itself is not without its great peril to Canada, to ourselves, to the Imperial connection. Let us think of it as we will—it is a form of tribute. Well, that was not the original idea of Canada. It is that Imperialist form which commends itself to our Imperialist and Conservative Ministers. The Liberal idea was the exact opposite —a national development of sea power in close harmony with our own, but with a local base and control. Surely this was more consonant with our own revolution in sea strategy. We have decided to concentrate in the North sea, thinking that there we are nearest to the point of danger, or rivalry or what you will. Then it is an obvious development of that policy to leave the distant stations and strongholds of the Empire to the younger communities. Such a plan is quite as significant a relief to the Imperial navy as that proposed by Mr. Borden, and morally it has a still greater import. But now the Mother Country has almost asked for a colonial benevolence. The response is singularly prompt and ungrudging. But is the notion wise? Does it not contain grave possibilities of friction in the future?**

Mr. F. W. Hirst, editor of the London Economist, one of the greatest financial journals in the world, in dealing with what he calls 'Naval Imperialism,' says with reference to Mr. Borden's proposals:

> **The Canadian offer of three super-dreadnoughts goes to show that Mr. Borden's Gov-**

ernment is not very anxious to bring about a protectionist and preferential tariff in England. Such a tariff would end in the taxation of many Canadian imports which now come in free. On the other hand, the stipulaitons accompanying the offer are not liked by the Liberal press here. In the first place a loan of seven millions will be a severe strain on the London capital market, which (as your municipal borrowers are now learning) is already overburdened. Money, in fact, is getting dearer and dearer. Secondly, Mr. Borden's stipulation that the gift is not to relieve our naval programme makes it positively onerous, seeing that the cost of maintenance is to fall on the home taxpayer. From our standpoint the Laurier proposals were infinitely preferable to those of Mr. Borden. The gift of a motor car to a person who is already spending more than he can afford is generous, but embarrassing, if no provision is made by the donor for the cost of maintaining it.

Oh, but, says my hon. friend from Sunbury and Queens, we Canadians should be in the fighting line. I wish to ask him, I wish to ask other hon. members of this House who say that we are going to be in the fighting line to consider this for a moment. Are Canadians going to be in the fighting line with this policy? I say, no. Three battleships may be in the fighting line but not a Canadian. That is the kind of fighter my hon. friend from Sunbury and Queens is. He would send empty hulks, but not a Canadian aboard. And he would tell Parliament and this country that the reason he has broken with his party on this question is that he wants to be in the fighting line. That is about all the fighting these great imperialists are willing to do. I would rather my hon. friend would endeavour to give this House some better reason why he has broken with his party on this question. He says he has been a Liberal for thirty-five years. Well, Sir, he is not a Liberal of the school I was brought up in, or he would not be in favour of a contribution of $35,000,000 to the Imperial treasury as against the building up of a Canadian navy in this country with all the industries that would follow in its wake. I come from a constituency that is very much interested in this naval defence. I may be told that they are interested in it because they are selfish. But we have been told also that the idea of the Liberals in this country fighting for a Canadian navy is a selfish one, that it is a matter of commerce. Well, I take the stand, and take it openly—and I have no authority outside my own choice for taking it—that if two policies are offered side by side, each, in my estimation of equal benefit to the Empire, but one inestimably more beneficial to Canada than the other, my choice is easily made. I have the right to ask concerning this policy: Is it in the interest of the commerce of this country that we should spend $35,000,000 to the treasury of Great Britain? Now, Sir, we are not the only people to take this stand. The right hon. leader of the Government, in 1910, was not satisfied with denouncing this idea of sending contributions on the floor of this Parliament, but he went down to the city of Halifax, and, speaking there in October, I think it was, 1910, he made use of the following language:

> One governing principle at least should control—that out of our own material, by our own labour and by the constructive skill of our own people, all necessary provision for our naval defence should be made, so far as may be reasonably possible. To-day should be Nova Scotia's opportunity in that line. Providence has endowed this province with the material, with the men——

Mark that, Mr. Speaker, with the men.

> —and with the maritime situation which are essential not only for the development of a scheme of naval defence and protection, but for the resuscitation of that ship-building industry which once made Nova Scotia so famous throughout the world.

That was the language and those the sentiments of the right hon. Prime Minister of this country less than one year before the election of September 21, 1911. And I take it, Sir, that the right hon. gentleman, when he went down to the city of Halifax, realized that if he had propounded any other policy before the people of Halifax, his seat might have been in danger, he would run the risk of the same defeat that overtook his colleague in September, 1911. He told the people of his own constituency in the city and county of Halifax, that he was in favour of a Canadian navy, that we had the material, the men, the maritime situation, for the building of ships; and he led these people to believe, right up to September 21, 1911, that that was his policy. I have no doubt, and no man who knows the situation in the city of Halifax can have any doubt, that the right hon. gentleman, got many, many votes in that constituency for propounding that policy. He did not change his mind, or did not tell the people of his constituency or of Canada that he had changed his mind up to the election of 1911. Now, he has brought down in this House a new policy, an altogether different policy; and does he not think that it is due to his constituents and to the people of Canada as a whole who misunderstood him—if you will—his sentiments on this question up to September, 1911, to ask them if they are in favour of this policy which he said he was in favour of, or whether they prefer the policy he has propounded at the present time. I take the ground that he was elected on an altogether different policy from that which he is now propounding, and that he at least should appeal to the people of his constituency to see if they will still follow him in the new policy he has brought forward. I

make the same general observation as to the country at large. I say—and I am speaking for myself alone in this—that on a great question like this one that will undoubtedly change the government of this country, one that will change our sentiments, a new line, a new road, to be travelled, the people of Canada should be asked how they view the matter. I take that ground and take it sincerely; and I believe that if the people of Canada to-day were asked as Canadians, as Britishers, if you will, what they think about the proposal of the Government as distinguished from the proposal of the right hon. leader of the Opposition, they would vote in great majority for the proposals which were laid down in this House by the right hon. leader of this Government in 1909, and followed up by his amendment to the motion which is now under discussion.

They tell us that we cannot build ships. They tell us that it will take from twenty-five to fifty years to get ships in course of construction in this country. I was walking into the library the other day when I noticed a bronze slab in the wall at the entrance. I read the inscription on that slab, and found it to be as follows:

In honour of the man by whose enterprise and skill the Royal William, the first vessel to cross the Atlantic by steam power, was wholly constructed in Canada and navigated to England in 1833.

After reading that inscription, this thought came to my mind: is there less enterprise, courage and skill in the Canadian people to-day than there was in 1833, when they launched the first ship that crossed the Atlantic by steam? I am convinced that an even greater degree of courage, enterprise and skill exists in the Canadian people to-day than ever before, and if at that time they showed their enterprise in building the first ship to cross the Atlantic by steam, surely they have the skill and the industry to-day to build battleships.

I may say that in 1731, over 100 years previous to the date I have mentioned, on the banks of the St. Lawrence, in the province of Quebec, the people were constructing warships, not for Canada, but for France, and at that time these men-of-war, as they were then called, were recognized as the best in the French navy. And yet we are told that we of this century, with our modern ideas, are unable to build Canadian ships! The right hon. leader of the Government did not think so in 1910, and, I am sure, does not think so to-day; if he does, he is not a Canadian, and does not know the Canadian people. The hon. member for North Simcoe (Mr. Currie) did not think so in 1909, and does not think so to-day. I wish to read from a speech delivered in this House by the hon. member for North Simcoe in 1909, which appears in 'Hansard' of that year at page 3544. We have not heard from this hon. gentleman in regard to this question; will he follow the example of his right hon. leader, and tell us it would take twenty-five or fifty years to construct a navy in this country, notwithstanding the remarks he made in this House on the resolution of 1909? This is what he said:

Now, carrying out the idea first involved in naval defence for Canada, I do not see any reason why we should not immediately institute some system of naval defence along the lines of torpedo boats, or torpedo destroyers, and destroyer cruisers, which would be invaluable to us in case of war. A great many members suggest or imply that it would be impossible for us to build these at home.

They not only suggest or imply the same thing to-day, but also that it would take thirty-five or fifty years to build the ships. He continues:

Now, I do not wish to be considered local in any way; I have always taken a national or Canadian view of every subject; nevertheless, I may be permitted to say that within the riding which I have the honour to represent there is a shipyard wherein they have launched ships over 500 feet in length, which is said to be the length of the dreadnought. They have built ships, and they laid down the keel of one ship on the 26th June last——

That would be June 1908.

—and launched her on the 1st November, all complete, 375 feet long, 7,000 horse-power, 22-knot ship, with complete equipment, in that short time. If it was necessary for this Government to ask them to supply four speedy cruisers 250 feet long, which would go through the canal, with a speed of 26 knots, I can assure you that I have it on the word of the men who design these ships, and have built twenty-two steel ships in the last four years, that it would be only a small matter for them to assemble the material, provide four ships and have them in the water by the 1st October. The dock they use is 550 feet long, and would accommodate the dreadnought.

No twenty-five years there! No half century there! The hon. member for North Simcoe realizes that Canadians can do things as expeditiously as a Britisher who happens to be born in the isles across the sea. It will be noted that the dock used in connection with the shipyards referred to was 550 feet long, and would accommodate a dreadnought. That is what can be done in our country thousands of miles from the sea! What could we accomplish in the provinces of Nova Scotia, New Brunswick or British Columbia, when they can build dreadnoughts in the woods of Ontario? He stated further:

I regret very much that as Canadians we have not fostered more of this spirit of shipbuilding on the Atlantic and Pacific coasts. We are now manufacturing steel, the best steel in the world. We have two large steel

plants. The steel plant at Sydney is a greater plant than any they have in Great Britain, with larger and better furnaces, and in every respect a greater and larger steel plant. They have had there, for four or five years,——

I would particularly commend this to the attention of the hon. member for Sunbury and Queens.

—a plate-rolling plant to roll plates for ships, which they have housed away and never placed on the foundation, because nothing has been done to encourage this most important industry. I feel that we should seriously, as a House of Commons, consider the advisability of adopting some system whereby ship-building would be encouraged in the maritime provinces, and also on the St. Lawrence and on the Pacific coast.

The hon. gentleman evidently has some knowledge of Canadian enterprises and Canadian skill. This country has spent upwards of $20,000,000 in fostering and developing the steel industry. This money has not been paid out of the treasury of Canada, and after these steps have been taken to ensure the development of the industry, the Canadian Government sends this work over to the shipbuilders across the Atlantic, notwithstanding the fact that the industries on this side, on which this vast sum was spent, were obliged to house their machinery for rolling plates because there was no work for them to do. Is that the spirit that should animate young Canadians? As a young Canadian I resent it, and I think I know the public sentiment in Nova Scotia. Down there they will resent this idea of turning over $35,000,000 to the British treasury and allowing the great steel industries at Sydney to starve for want of a market.

Mr. STANFIELD: The Dominion Steel Company have more work than they can do.

Mr. CARROLL: They have not more than they can do; The Steel Company in Sydney are clamouring for more contracts. They have material there, as was pointed out by the hon. member for North Simcoe in 1909, that is wasting for want of work. If they had the contracts they could build bigger. We can build ships in Canada surely when Japan, Brazil, Spain and all those countries are building ships, building navies in their own dockyards. Think of it for a moment. The hon. members for British Columbia will tell us that the Japanese are not fit citizens to enter this country, that they are an inferior race and should be debarred and in the same breath they will tell us, at least by their silence which shows acquiescence in the proposition, that we are not able to build battleships although these same people who are not fit to associate with Canadians are able to do so, and so are better, more enterprising, more skilled than ourselves. They started iron ship-building in England in 1877. Since then they have built up an industry that is unequalled and is likely to remain unequalled in the annals of ship-building and commerce. Austria-Hungary has twenty-two armoured ships all built since 1885. It does not take them twenty-five years or half a century to at least start the nucleus of a navy. China, Italy and Japan are all in the same category. What has been the record of Japan?

In 1894 when Japan went to war with China she had not a single battleship. Ten years later, in 1904, when Japan went to war with Russia, she had six battleships, eight armoured cruisers, 44 other cruisers, 19 destroyers and 80 torpedo boats, with a total displacement of 283,742 tons. Four years later, in 1909, Japan had 13 battleships, 12 armoured cruisers, 47 other cruisers, and coast defence vessels, 55 destroyers and 77 torpedo boats, 204 war vessels with a total displacement of 515,082 tons, with all the necessary dock and shipyard facilities for building and repairing.

It is true that at the start some of these ships were built in England but the ones built since 1904 have without any exception all been built with Japanese labour, with Japanese money in their own shipyards and by their own people. What Japan can do, what China can do, surely we as Canadians can do. There can be no doubt about that. Still they say we want to be on the fighting line; they do not believe in building up Canadian industries. During the election of 1911 the slogan was 'Canada for the Canadians.' Why not Canada for the Canadians at the present time? Are not the Canadians as good to-day as they were in 1911, and if it was Canada for the Canadians in 1911 it should be Canada for the Canadians on this great question. I have pointed out that ships sent over to England without men are of not very much assistance to Great Britain. I omitted to refer to an extract which I took from a publication issued by the Imperial Maritime League in December, 1912. The members of this league banquetted the Canadian ministers when they were over in London and this is taken from a book published by them as late as December, 1912.

Moreover, a fleet does not consist of dreadnoughts alone any more than a football team consists solely of backs;—and apart from the question of dreadnoughts, we are gravely deficient in cruisers, in destroyers, in reserve stores, in men, and in dockyards on our east coast. And curiously enough—reverting to Canada—only within the past few days recruiting for the Canadian navy is stated to have been inde-

finitely postponed. Men (as we shall find stated hereafter on page 141) take five years to be made thoroughly efficient. For nearly seven years past we have been gravely undermanned. Ships without men are useless. Seamen must be enrolled in large numbers at once—if the new ships, suggested by Canada, Malay, and (if rumour be true) the Indian princes are not to be as useless as they will certainly be expensive.

That is the view of the Imperial Maritime League of England, that these ships without men will be as useless as they are expensive.

We are told that the policy propounded by the leader of the Opposition is a separatist policy, that it will lead to Canada becoming separated from the British Empire. There was no separatist proposition in that in 1909 when it was endorsed by the very men who are to-day cursing it. A separatist navy? And there was an intimation from the other side that the right hon. gentleman who propounds this proposition of building a Canadian navy of our own materials by our own men and by our own skill is a disloyal subject.

For the past two years Conservative newspapers and Conservative speakers throughout the country have charged that the great cheiftain of the Liberal party and his followers are not loyal to the British Empire. Scan the pages of the political history of Canada since Confederation and point out if you can any legislation placed on our statute books tending towards the unity of the Empire, which would lead anyone to believe that the Conservative party is a truer friend of the Empire than is the Liberal party of Canada. Look at a few of the things the Liberals of Canada have done for the Empire: they introduced Imperial penny-postage which though a small thing in itself helped in some measure towards Empire unity. Under the leadership of Sir Wilfrid Laurier when he controlled the destinies of Canada, the Liberals took over the maintenance of the fortifications at Halifax and Esquimalt and thus relieved the Motherland from responsibility and expense. It was a Liberal Government which introduced the British preference allowing British goods to come into this country at a preferential rate and we know that the Liberals of Canada asked nothing from the Motherland in return for that boon. And Sir, what was the course taken by the Liberals of Canada during the South African war when a real emergency confronted the Empire. At that time the Right Hon. Sir Wilfrid Laurier, who to-day is slandered by the Conservative press as disloyal to the Empire, from his place in Parliament exhorted the people of Canada to send the best of their blood and brawn to the veldts of South Africa in defence of the Empire. We know Sir, that our fellow countrymen fought side by side with the trained soldiers of Great Britain with credit to themselves and glory to Canada. These are but a few of the things which the Liberals of Canada have done for the Empire, and yet in face of that the slander is hurled at us now that the naval policy we have propounded is a separatist policy. Well, Sir, actions speak louder than words, and the student of political history for the last fifty years in Canada will have no trouble in ascertaining how in many ways the Liberals of Canada have shown their loyalty and devotion to the Empire.

I wish to say in conclusion that in my humble opinion the policy of a direct money contribution of $35,000,000 is not only bad in principle and useless as a measure of assistance to the Mother Country, but is likely to be positively harmful. Canada owes the duty to the Empire and to herself to contribute to the naval defence of the Empire, and the only rational and effective way in which Canada can do that is by carrying into effect the policy of a Canadian navy propounded by the revered leader of the Liberal party. There is no alternative worthy of a self-respecting people, and surely there is no hon. gentleman in this House and no class of people in this country who will say that the Canadians of the present day are not a self-respecting people.

On motion of Mr. Marcile (Bagot), the debate was adjourned.

On the motion of Mr. Rogers, House adjourned at 11.45 p.m.

HOUSE OF COMMONS.

WEDNESDAY, February 12, 1913.

The SPEAKER took the Chair at Two o'clock.

REPORT PRESENTED.

Express statistics of the Dominion of Canada for the year ended June 30, 1912. —Mr. Cochrane.

PRIVATE BILLS COMMITTEE.

On motion of Mr. Borden, the following members were added to the Select Standing Committee on Private Bills: Messrs. Broder, Marshall, Turiff and Thomson (Qu'Appelle).

LENGTHY ANSWERS TO QUESTIONS.

Mr. SPEAKER: I wish to refer to a matter which was brought to the attention of the House yesterday and to make an

explanation. It is with regard to the printing of answers to questions in 'Hansard.' When I spoke of it first I had reference to the printing of answers separately. Therefore I said that my understanding was that it was not the practice to have them printed unless recommended by the Printing Committee. I was referring to the printing of these answers as separate returns or sessional papers, when it is the practice to send a copy to the member asking the question. I applied to the Clerk of the House for information as to why these answers were not printed in 'Hansard,' as I understood that the rule required they should be printed. He drew my attention to the fact that it would be almost impossible to print some of them in 'Hansard,' as they were so voluminous and so largely made up of figures. To print them in 'Hansard' would require a much larger staff at the Printing Bureau and might prevent 'Hansard' from being issued on time. I produce to the House a number of these answers. It will be observed that they are of great length and are in the form of elaborate tables that would involve difficult typesetting, and would either have to be inserted in 'Hansard' as maps or be cut down to the size of 'Hansard' page. This one would take up many pages and would require a long time to set. It relates to the tariffs of the British West Indies and extends over seven or eight pages of very large paper. I have here a number of others relating to tenders for the purchase of various articles for the Intercolonial railway, such as kindling wood, electric wiring, fencing, pine, cement, rubber goods, &c. Here is one with reference to dismissals on the Intercolonial.

Sir WILFRID LAURIER: Is the list so long as that?

Mr. SPEAKER: Is is of considerable length. I have selected only a few of these answers to let the House see what it would mean if we insisted upon the rule being carried out inflexibly. It is for the House to decide what course shall be adopted.

Mr. BORDEN: I was not aware that the answers to questions were so voluminous or that the practice had been introduced of not printing them in full. What has been mentioned by Your Honour requires, of course, to be taken into consideration. It would seem to me that one remedy would be to have questions of that character stand as notices of motions for returns, and to limit the answers given to questions to those which can be comprised within moderate dimensions so that everything may appear on the pages of 'Hansard' as it used to do. However, I shall be very glad to discuss the question with my right hon. friend and see if we cannot arrive at some satisfactory solution.

Sir WILFRID LAURIER: You and I, Mr. Speaker, who are old members, remember very well the olden days when all answers were given fully in 'Hansard.' I am quite sure that the old system should still prevail. In the old days if a question elicited a long and elaborate answer, we would certainly dispense with the reading of long lists of figures by the minister making the reply. I think that we can approach the matter with common sense. Nobody expects that long lists of statistics shall be published in 'Hansard.' They are probably of no interest except to the member asking the question, and if he insists on their being printed subsequently, the matter may come before the House and he can speak to Your Honour. As a rule those on this side of the House who represent the minority will be quite satisfied if statistics are not included, but it will be for the member to say whether they should be printed subsequently.

Mr. GAUVREAU: What you have said may be all right, but in so far as the document in question is concerned, it does not apply; it is not a lengthy document, and there are not many figures in it. It could easily have been reduced in size so as to have been printed in 'Hansard.' We need that document, I need it, and I would like to have a decision of how we are going to have it printed and translated.

Mr. SPEAKER: I have always understood that where a member desired an answer in which he was interested, copies of it would be made and given to him through the branch where these answers are collected and kept. That, I understand, has been the custom in the past, and I do not see any reason why it could not be done at any time, even though translation might be required.

QUESTIONS.

(Questions answered orally are indicated by an asterisk).

EMPLOYMENT OF J. E. LAFORCE.

Mr. CARVELL:

1. Is Mr. J. E. Laforce in the employment of the Inland Revenue Department?
2. What are his duties?
3. What salary does he receive?

Mr. NANTEL:

1. Not at present. He was employed for six months from 10th July, 1912.
2. Special duties for the Minister of Inland Revenue and in addition, assisting in the Accountant's Branch.
3. He received while employed $100 per month.

ACCOUNT OF MR. A. SIMARD.

Mr. ACHIM:

1. What is the amount of the account of Mr. Arthur Simard, notary of Quebec, who was the returning officer at the election in Quebec East in September, 1911?

2. Has the account of Mr. Arthur Simard, as furnished, been paid him? If not, why has this account been reduced or not paid in in full?

Mr. CODERRE:

1. $1,276.67.

2. (a) No. (b) The returning officer has been allowed $197.30, payment being made in accordance with the tariff for acclamation elections. Items amounting to $859.50 have been disallowed, as the tariff for an acclamation election does not provide for fees of deputy returning officers, rent of polling booths, &c. A statement showing $219.87 in suspense, with questions relating to each item, was submitted to the returning officer on January 8, 1912, and he was asked to furnish the necessary explanations. To date no reply has been received.

SHEET HARBOUR—SHERBROOKE MAILS.

Mr. SINCLAIR:

1. What was the yearly amount payable by the Post Office Department to M. McGrath for carrying the mails between Sheet Harbour and Sherbrooke, N.S., under the contract that was cancelled by the present administration?

2. How much is now being paid by the department per year to J. S. Cameron for performing the same service?

3. Why was McGrath's contract cancelled?

Mr. PELLETIER:

1. Mr. McGrath was paid $3,334 per annum. His contract was not cancelled. It contained a clause providing that it could be terminated by giving three months' notice. This notice was given and tenders were invited. Mr. Cameron's tender at $3,293 per annum was the lowest and was consequently accepted.

2. Cameron is not now performing the same service. He did for a time at the rate of his tender which was $41 less than McGrath received for the same work. Some time after the contract was awarded, it became necessary to increase the mileage from 64 miles to 65.31/40 miles, and according to the rule always followed in such cases, the pay was increased proportionately. The amount paid is now $3,384 per annum.

3. Answered by No. 1.

APPOINTMENT OF A. B. CARSON.

Mr. EMMERSON:

1. Has Mr. A. B. Carson, of Kent county, New Brunswick, been appointed to any position under the direction or control of the Department of Marine and Fisheries? If so, to what position and when was he so appointed?

2. Has his position, if appointed, anything to do with a fishery advisory board, as a representative on such board of the counties of Northumberland, Kent and Westmorland, in New Brunswick?

2. What experience has the said A. B. Carson to qualify him for holding such a position, and what are his qualifications for such an office; what was his occupation, by whom was he employed at the time of his appointment, and who recommended his appointment?

4. Did he ever have any connection with the fisheries in Canada beyond retailing fish, such as herring and codfish, in a country store, and what salary is paid him?

5. Is the Government or the Department of Marine and Fisheries aware that the said A. B. Carson is said to be an American citizen?

Mr. HAZEN:

1. Yes; a member of the Fisheries Advisory Board. He was offered the appointment by letter of January 28, and accepted it on February 1.

2. Yes.

3. The qualification asked for was an intimate knowledge of the branches of the fishing industry in the district represented. The department is not aware what occupation Mr. Carson was following at the time of his appointment, nor by whom he was employed. His appointment was recommended by Mr. F. J. Robidoux, M.P., who represented him to have the required qualifications.

4. The department is aware that he has been for a long period intimately associated with the developmnnt of the fisheries along the Gulf shore of New Brunswick, and is thoroughly conversant with all phases of the industry. No salary; but members will receive an allowance of ten dollars per day exclusive of Sundays when attending the meetings of the board committees thereof.

5. No.

INTERCOLONIAL RAILWAY BRANCH LINES.

*Mr. EMMERSON:

1. Has the Government yet reached any decision with regard to the policy of acquiring the branch lines of railway, or any of them, connecting with the Intercolonial railway, with a view to operate same as a part of the Government system of railways? If so, what conclusion has been reached and will it be announced to Parliament?

2. What is the total amount of expenditure involved in the acquisition of such railways, and in improvements of same?

Mr. COCHRANE:

1. The matter is still under discussion.

2. Answered by number one.

MOULIN BASINET POST OFFICE.

Mr. LEMIEUX:

1. Why did the Post Office Department direct the closing of the post office at Moulin Basinet, in the parish of St. Jean de Matha?
2. Who asked for this closing?

Mr. PELLETIER: The post office inspector reported that this post office was of no public service whatever, and that, in fact, the only person to whom it was of any use was the postmaster himself. The Postmaster General directed, therefore, that the office should be closed.

INTERCOLONIAL RAILWAY GAS PLANT.

*Mr. EMMERSON:

1. Has the Intercolonial railway ceased to operate its producer gas plant at Moncton since the installation of the use of natural gas at the works there in connection with the railway?
2. How many men were employed in and about the operations of the producer gas plant?
3. Will these men be given other employment in connection with the railway works at Moncton?
4. If not, will they be dismissed? If so, will they be retired in the enjoyment of the privilege of the Provident Fund Act?

Mr. COCHRANE:

1. Yes.
2. Four.
3. Yes.
4. Answered by No. 3.

REPATRIATED CANADIANS.

Mr. PAQUET:

1. What is the number of Canadians repatriated by Mr. Allan Laferrière, repatriation agent since the appointment up to this date?
2. Towards what part of the Dominion have these repatriated persons been directed?
3. What is the number of conferences held by Mr. Laferrière and under his patronage in New England since the 1st April, 1912?
4. Where were these conferences held?

Mr. ROCHE:

1. According to his own reports, Mr. Laferriere has issued sixty-eight certificates for railroad rates to families and individuals numbering all told 180 souls, men, women and children. Nineteen of these certificates, representing thirty souls, have thus far been reported by the railroad companies as having been presented and used.

2. The thirty persons who used their certificates were destined as follows: to Manitoba, five; Saskatchewan, nineteen; Alberta, six.

3. Fifteen.

4. At Manchester, East Manchester, North Manchester, West Manchester, McGregorville, Concord, Derry, Laconia, Nashua, Hooksett, Simcook and Franklin, all in the state of New Hampshire.

Mr. COCHRANE.

BUSINESS OF THE HOUSE—RETURNS.

Mr. EMMERSON: I would like to ask the right hon. leader of the Government if any steps have been taken towards having members notified when returns are brought down? I think the suggestion came from the right hon. gentleman himself that it would be good practice to have members notified of returns by having sent to them a duplicate copy. A difficulty occurred recently with respect to a return in connection with the Department of Customs. I had tried to find the reference to it in the Votes and Proceedings, but it escaped my notice. Had I received notification I would not have been ignorant of the fact that the return had been brought down. The Prime Minister stated that it would be a good idea to have duplicates of these returns sent to members. I heartily concur in that suggestion.

Mr. BORDEN: With regard to the latter suggestion of my hon. friend it would be impractible because it would entail more or less delay. No return can be brought down except in so far is it has been prepared by typewriter.

Mr. EMMERSON: You might have carbon copies made.

Mr. BORDEN: The services of a large number of persons would be required to prepare these returns. In so far as notice is concerned, I understand it is the rule and practice of the officers of the House of Commons to send a notice to each member of the bringing down of any return for which he has moved. If it has not been done in the case of my hon. friend it is an oversight. I would be glad if he would give particulars of it to the Clerk in order that it might be brought to the attention of the persons who are responsible for giving the notice and who should have given it.

AGRICULTURE CREDITS.

Mr. ARTHUR MEIGHEN (Portage la Prairie) moved:

That, in the opinion of this House, the question of bringing about a better and cheaper system of agriculture credits should receive the early attention of the Government.

He said: Inasmuch as the question of credits brings up one of the most conspicuous defects in our banking system, the House will readily agree that no more opportune time could be selected for the discussion of this resolution than the present, when a revision of the Bank Act is under the consideration of one of the important committees of the House. The terms of the resolution, whilst specific enough, simply go to the extent of calling upon the Administration to direct their energies towards what the resolution calls for and what I, as its mover, claim deserves careful considera-

tion with a view to bringing about a reform. I am aware that this Government, as all governments, have continually pressed upon them matters of more or less importance, and in sufficient numbers to render it impossible to cope with all cases requiring substantial remedies. I agree that a considerable burden rests on the shoulders of a member of this House who takes upon himself to prove that there is any sphere of this country a sufficiently general evil to demand at the present time, when so much is under consideration, the attention of Parliament and of the Government. The matter concerns our entire financial system, and I address myself with some diffidence to the task of showing that, in the matter of affording credits to a large proportion of the agriculturists of Canada and to almost as large a proportion of the poorer classes in other spheres, there is a serious defect in the financial system, the remedy for which is made clear by recent experiments or by the recent ratified and confirmed experience not only of parts of this country but of practically all countries of the civilized world.

As I approach the subject permit me to say that in general I am not a critic, but an admirer of the Canadian financial system. What is the evil of which I speak? The defect that strikes most strongly and most injuriously the part of the country from which I come, and which after all, I believe, involves the chief criticism that can be levelled against the system, consists in this: We have in this country a system of branch banks, with centralized head offices. We all agree that the great advantage of that system is that it permits of the fluidity of capital and the mobilization of money in such a way that the wants of one part of the country can be served by the surplus of another and in such a way that what one has to spare can be used to supply what the other requires There is no question but that a system of branch banks has in it the possibility of that supreme advantage; but inasmuch as the control is necessarily in the head office, I believe the charge can be fairly made that that control can be exercised—not perhaps throughout a period of normal years, but exercised chiefly in time of stress and strain —to take advantage of the fluidity of capital thus obtained to curtail the resources of the smaller and more distant sections of the community in order to assist enterprises at the larger points. It will be manifest to the House, it is manifest to all, that the Canadian banking system at least admits of management with that end in view, and it would be almost too much to expect that those who have control of that system—be they even above the average in public spirit and honour among business men—would not naturally so conduct the flow of capital as to protect enterprises where their sympathies are most centered; as to protect those perhaps in which they were personally interested or at all events to protect those at points where their interests and their sympathies lay, and not to the irrigation of the district from which the moneys come. The charge I think can be proven that this does go on and that it goes on with special hardship when the money market reaches that stage commonly known as stringency. Periodically, in this as in every country, there comes a time of stringency and stress when those in charge of financial affairs meet with considerable difficulty, and it is in those times that the first to suffer are the citizens of the country, dependent upon the credit facilities afforded by the banks, and living at the more distant points served by the smaller branches.

I listened with approval at the remarks of the hon. member for Calgary (Mr. Bennett) made some nights ago in this House, when he stated very fairly that the first to suffer in any period of real or apprehended stress are those at points more distant from the head office of the bank and not directly under the eye of those in control. It would not, of course, be asked of me to bring to the attention of Parliament specific instances of hardship and suffering, but I can assure the House—and there are several hon. members of this House sitting in front of me and opposite to me, who will at once endorse what I say—that within a very few months of the hour at which we are sitting now, there have been cases of severe hardship, suffered especially by smaller borrowers from the banks of Canada, and suffered principally at points far distant from the central office. I can tell the House myself of instances where credit has been refused to the financial ruin of honest people, people who under ordinary circumstances would not have been refused credit at all. The managers at the various points, while money is fairly plentiful are in competition with each other for the securing of business and they adopt schemes more or less successful to induce or to invite into their banks the custom and business of the district. The result is that the citizens of that district, and particularly the farmers, come to depend on what they feel is an implied warranty, that at any time they may at the especial branch which they have chosen secure a line of credit, provided of course there is no impairment of their own resources. But they find, after they have got into this position and after they have adjusted their affairs accordingly, that just as soon as something occurs across the water or on this side of the line that brings about conditions of stringency,—not in the minds of the branch managers or themselves when they went to the bank to get credit—and after they have made their arrangements, these arrangements are wrecked and they are denied what they had every right to expect to re-

ceive. The result has been that within very recent months, many an agriculturist, many another not an agriculturist, many of the honest people of this country not of great resources, have been compelled to sacrifice their meagre belongings, have been compelled to sacrifice securities at very great discounts, have been compelled to sell chattels and to sell property, simply because of a reversal in financial conditions the stress and the penury of which they are the first to feel. As I have said, I cannot be called upon to give individual instances. Those instances do not reach the House because men are a little averse to state any too openly that they are denied credit which they believe they have the right to, but I can assure, especially those who have the very great honour of being in charge of this branch of the affairs of the country, that I can take them to the most prosperous agricultural community of our western country—I say that simply because it is the oldest and the one which has not met with any reverses—I can take them to the oldest and most prosperous agricultural community of the western country, and I can show them to-day the serious hardships that have been inflicted just in the way I have stated, by means of the present system of our bank management. As I say, I can take those in charge of the financial affairs of the country to that district and I could point to instances which would speak much more eloquently than I can speak here this afternoon. Our branch banks are offshoots; they are controlled absolutely at the head office; they cannot dictate to the head office. That is the principle of our banking system, and, as I have said, it has very great advantages but it carries with it very great disadvantages, which it is my duty at the present time to bring the attention of the public to.

This same evil has been met with in other countries besides our own. We are perhaps, the most outstanding instance of the branch bank system in the world. We have 2,800 branch banks in this country, all controlled by a very small number indeed of central banks or branch offices, and that small number of head offices is diminishing, while the branch banks are increasing in number. In Great Britain they have I think, some 6,000 branch banks and about 116 banks which operate these branches, a much smaller number in proportion to population than we have; but Great Britain is also a striking example of the branch bank system. In the United States, as everybody knows, they have not that system, but the individual bank system, a system which is without the very great element of strength which our system enjoys, but which carries with it an advantage which we have not, in that the management of these individual banks is located where the services of the banks are to be given, and as a result those in charge of the funds to be distributed and of the credit to be given are resident in the locality and have the interest of the locality at heart—they are engaged by every tie of residence and sympathy to do the best they can not only for the locality but for the customers of their institution. Consequently, the United States does not suffer to the same extent in this particular that a country does that depends entirely on the branch bank system. At the same time, in the regard which I am now considering, and in relation to the reform that I purpose urging, the authorities in the United States of America find out, even under their large and extensive system of individual banks, there is a huge class of the population that are utterly underserved by the banking system. The president of that country and the members of his staff have addressed themselves to the enormous task of so extending the banking facilities of the country as to reach down to the lowest strata of society now altogether unserved with credit.

I would draw the attention of the House for a moment to the means adopted in other countries to reach that class of people and to secure the country against the concentration of credit in times of stringency of which we now complain. In Germany, they have a very limited number of banks indeed. The total number of banks is some 490, and their branches number about 1,730. The House will see that the total number of banks in the whole Empire is only about sixty per cent of the number of banks, including branches, that we have in Canada. The remainder of the banking facilities of Germany consist entirely of co-operative banks which have been utilized in that country, as all over the world to make up the deficiency of which I complain here. But in France the Bank of France, being the backbone, the very life-blood, of the banking system of that country, is so constructed and so organized that the state through its means protects itself against the evil complained of in this country. The state has taken care that the extremities of the country and the smaller towns shall not suffer in comparison with the larger points in the distribution of credit. The Bank of France has some 30,000 shareholders. These elect a council who control the affairs of the Bank. But the governor and the sub-governors are appointed by the government; and in addition to this, the state takes care of the outlying districts by appointing the comptrollers or managers of the branch banks. Thus precaution is taken that no injustice shall be done to the extremities as against the larger centers.

Under the banking system of Germany, even greater precautions are taken. The Bank of Germany, the Reichbank as it is called, holds the same relation to the banking machinery of Germany that the Bank of France does to the banking machinery of France. The Reichbank is run by some nine directors, and these directors are named by the federal council, in other words, they are named by the government, and the governor himself and the sub-governors are similarly appointed. And over these directors sits a Curatorium of five members all named by the government of Germany. And, while the funds are entirely private funds, while the shares are owned altogether by individuals, the state has taken care that each and every branch of the bank of that country is directly controlled by the office of state with the result that they are able to protect the credit-seeking public from any concentration of bank assets, especially in times of banking stringency. The state has even gone further, and, in the last panic or semi-panic which was feared in that country, but which really did not befall with any great severity, the state deposited its funds in the small co-operative institutions among the agricultural population, so as to fortify them first and foremost against the effects of the panic.

In Belgium, which was selected by the plenipotentiaries of Japan as having the most perfect banking system in the world, the chief bank—because there as well as in other countries there is one to which the others are mere adjuncts, one which is the backbone, the centre of the banking system—the governor and sub-governors are named by the state. Furthermore there is a bank commissioner whose duties it is to go from branch to branch of that bank to see that each and every part is duly served and to see that the public functions of the bank are duly discharged. In all the banks I have named, those of Germany, France and Belgium, care is taken that the needs of the outlying parts are served. These needs are under the special care of those interested in serving them, because special committees are appointed, and are compelled to be appointed by those in authority, consisting of prominent mercantile, industrial and agricultural citizens resident right at the point. It is their duty thus to control, to enlarge or to restrict the credit of any point. This important matter is thus in charge of those with local interests and local sympathies, and who stand themselves to gain or to lose by the success or otherwise of the point so to be served.

The same might be said of Sweden; indeed, in that country they have actually subsidized many of the banks, as a direct precaution against their leaving the smaller parts of the country. In Europe, therefore, in addition to the many great advantages provided, care has been taken that the smaller parts of the country, and especially the agricultural sections, do not suffer at the hands of those charged with the responsibility of distributing the funds centred in the banks.

In the United States they do not suffer as we do, and the report of the Comptroller of Currency for that country for the recent year makes it very clear that the multiplication of these small unit banks is proceeding at a wonderful rate. The individual banks have increased in number from 10,000 in 1900 to about 24,000 at the present time, and the amount of capital resident in the city of New York, which in 1900 was eleven per cent of the total banking capital, was reduced to nine and a half in 1912; the total of the bank resources located in the city of New York in 1900 was 23·2 per cent, and this was reduced in 1912 to 18·9 per cent. It is evident, therefore, that in the United States they have guarded to a considerable extent against the extreme tendency of money to flow to the large centres, especially under abnormal conditions or at financially stringent times.

We come now to the heart of the present discussion, namely, the remedy. That which I have to suggest is not new remedy. I simply desire to urge upon the House the enactment of legislation which has already been before it in more than one form, but which has never yet succeeded in obtaining the sanction of Parliament. I refer to legislation to provide uniform machinery throughout this country for the operation of co-operative banks. I purpose to show the House that if due encouragement is given to the inauguration and dissemination of co-operative credit banks, the result—which will gather force as time goes on—will be to meet and entirely overcome the present tendency of banking capital to flow to the larger centres. The tendency will rather be to produce the effect resulting from the principle which I now lay down, with very great confidence, as a desideratum in banking; namely, that there shall remain in any particular locality such an amount of currency and capital as will provide normally for the potential needs of that locality, and that the fluidity and mobilization of our banking assets shall not be so great as to draw from any locality its entire banking capital and place it in the hands of those not specially interested in that locality. It is impossible to say whether this principle, which has been laid down by very high authorities, could be carried any further than I have stated. Certainly it is an obvious advantage that an institution should be sufficiently large to draw from the surplus moneys of a certain community in order to utilize the amount in some other portion of the country where sufficient funds are not at hand, but, as I

have said, such an amount of the credit and capital of a locality as is normally required for its needs should not be moved from that locality and be placed at the disposal of other interests.

In endeavouring to expound, not at great length, the advantages of the co-operative system of banking, I desire to do full justice to others who have blazed the way which I now intend to follow; who have been pioneers in the work, and whose arguments I propose virtually to expound. Amongst its own members the House is chiefly indebted in this matter to the hon. member for Jacques Cartier (Mr. Monk) whose inability through illness to be present on this occasion is undoubtedly to be very deeply regretted. The hon. member for Jacques Cartier has endeavoured for several years to secure legislation that will produce a uniform mechanism for the establishment of co-operative credit banks, but his efforts have so far been unsuccessful. I would not do justice to all those connected with this great work if I did not refer to the strenuous efforts of a gentleman well known to us all, though not a member of this House. I refer to Mr. Alphonse Desjardins, of Levis, one of the members of our 'Hansard' staff, who has borne the burden of a great endeavour in this country to establish upon a firm basis a comprehensive system of co-operative banking. These co-operative banks, which are very simple in their organization and operation, consist of an aggregation of people, all resident within a circumscribed and defined area, who get together and form on a co-operative basis a credit bank, each subscribing, in this country at least, for a small share—say $5, thus instituting an initial capital, and inviting from their own members subscriptions by way of deposits, which are used for the advantage of those members and no one else. The membership is decided upon by a board of supervisors, who will allow no one to become a member who has not a reputation for fair dealing, however poor he may be, and will admit, subject to this condition, anyone who takes a share of stock within the circumscribed area. Nothing could be simpler than that. All members are eligible to apply for loans, all loans are passed upon by a credit board elected by the shareholders and all loans are small, they are limited to a maximum fixed by the shareholders themselves. This, in short, is the same system that has been in operation in European countries for now about fifty years. Half a century's experience is behind it, and I shall ask the attention of the House for a moment while I give the result of that half century of experience in Europe, as also the result of the experiments conducted in our country since 1901.

It may be a surprise, it reads to myself like a fairy tale, to learn what has been achieved by co-operative banks in Europe. There are in Germany 490 ordinary banks and only 1,730 branches. In France there are only 27 banks and 1,552 branches, about the number of banks in this country and about half the number of branches; so that the whole of the banking facilities of France, the credits of France, are served by co-operative banks, outside of that very limited number of other banks, joint stock banks and branches. In Germany the rest of the banking of the country is also done through co-operative banks. In Great Britain there are 116 banks and some 6,935 branches. Co-operative banking has not taken the hold in Great Britain that it has in the other countries; co-operation in that country has taken the form of co-operation in distribution, but chiefly the reason is that it is in a younger period of development in Great Britain than in other parts of Europe; it only took root there in the nineties, between 1885 and 1900, whereas in Austria, Sweden, Belgium, Germany and France these co-operative banks have been in actual operation and meeting with unqualified success since 1862. There are at present in Belgium 500 such banks, in France 3,000 such banks or about double the number of branches of other banks. In Austria there are no less than 6,000 separate and co-operative banks, and in Germany between 16,000 and 20,000 separate and co-operative banks doing business. And the loans made in 1909 in Germany actually amounted to $4,888,000,000 or about five times the total amount of all the banking done by all the banks of this country; so I did not overstate the case when I said that what I had to propose to the House was not something in the experimental stage, but was something that had grown to enormous proportions, that had been tried in the furnace and had proven pure, that had been weighed and had never been found wanting. Because I have read on the best of authority, uncontradicted, that the amount of losses suffered by co-operative banks in all the countries of Europe and in this country has been so small as to be utterly negligible. In this country there has been no loss at all. In Germany the losses are less than one-half of one-tenth of one per cent. Indeed, in all the works on the subject it is noticeable that the authors do not pay the slightest attention to losses. The whole principle of co-operation is such as to shield the banks against loss and when to that is added the additional rampart of geographical limitation the chance of loss is practically nil, so that the success of these banks is phenomenal and what can be said against them, read from their history, is a negligible quantity.

I want to refer for a moment to what has been done in the republic to the south of us, a country whose agricultural and in-

dustrial conditions, and the genius of whose people are more akin to our own, a country which reproduces the conditions which obtain in Canada. In the United States of America President Taft two years ago instructed Commissioner Myron T. Herrick to collect information as to what had been accomplished by co-operative credit banking in the older lands. He collected information as to the variety of conditions obtaining in the United States and consequently as to the applicability of the banking system as it is developed in Europe to the United States of America. The report of Mr. Myron T. Herrick is a comprehensive document. It was obtained by the most thorough investigation conducted by the ambassadors of the United States in these various countries and it coincides, in every paragraph it agrees, without a shade of contradiction, with the universal testimony of the representatives of every country that has investigated this system. It agrees in detail with all the claims of the promoters of co-operative banking and all the text books on the subject in any language. Let me read from the report of Mr. Herrick what has been achieved in Europe in this regard:

The investigation conducted thus far warrants the conclusion that land and agricultural credit are so thoroughly organized in most of the European nations that real estate securities are as liquid and sound as municipal bonds, while the honest, capable, and industrious farmer is able to supply himself with working funds for short or long time when desired. The institutions and also the systems devised for these objects have certain basic features in common but vary considerably in type, and thereby show a remarkable adaptability to all sorts of social and economic conditions, such as exist in America. The rates of interest at which they are able to obtain and lend money fall even below the European commercial rate and are about one-third to one-half less than what prevail in the United States.

It is quite true that our rate in this country is necessarily higher than is the rate in the old land, but there is no reason why agricultural credit, why small credit in this country should bear a different ratio to commercial credit in this country than agricultural credit in Europe bears to commercial credit there. The instrumentality of co-operative banking has brought the rate of agricultural credit in Europe below the rate obtained in commerce, below the commercial rate.

And this report goes so far as to say that there is no reason at all why it should not bring it below the commercial rate in America, the simple reason being that the securities hedged about it against loss are greater and the risk is less. I want to read further:

Personal credit in agricultural Europe is obtained usually by means of the co-operative credit associations. They are also used by artisans and small tradespeople in the towns and cities. These associations are in fact the only banks which the farmers will patronize for short-time loans in the nations where they abound in the greatest numbers. With their aid poverty and usury have been banished, sterile fields have been made fertile, production has been increased, and agriculture and agricultural science raised to the highest point. Their educational influence is no less marked. They have taught the farmers the uses of credit as well as of cash, given them a commercial instinct and business knowledge, and stimulated them to associated action. They have encouraged thrift and saving, created a feeling of independence and self-reliance, and even elevated their moral tone.

As a result of this report, which is a most useful and instructive document and which, with deference, I submit every member of Parliament should read, ex-President Taft of the United States, a man who I am sure none of us will regard as a dreamy enthusiast, who does not suffer from the reputation of being over-progressive, who is not a lover by any means of innovation, takes the responsibility of urging in the strongest terms the immediate enactment of a law uniform throughout all the States of the American Union, providing for the incorporation of agricultural banks. As a result of that report he goes further. He takes the responsibility of advocating the immediate introduction into the United States of a still more startling reform namely, what are known as the Landschaften banks of Germany. To that feature of his report I shall come later on. As the result of that investigation ex-President Taft comes to the conclusion that, notwithstanding that in the United States, as in this country, there exists not the same fixity of social conditions, there does not exist the same permanency of domestic relations, the same permanency of neighbourhood; there does not exist the same fixity of values of real estate. Notwithstanding the elasticity of these banks, he says, they adapt themselves with equal success to the conditions of one country as to those of another, and they could be made just as successful in the United States as in any country of Europe.

The agriculturists and labouringmen of Canada have been besieging this House for the last ten years in favour of co-operative banking. When the matter was first broached, a special investigation was instituted by this Parliament, and in the months of December 1906 and January, 1907, a committee took evidence with a view to ascertaining whether or not the principle of the Reiffeisen banks of Germany and the Schultz banks of Austria could be imported into Canada to the advantage of

the poorer people and of the farmers as well. That committee took evidence extending over several months, and it is embodied in the Journals of the House, in Journal 42 of 1906-7. The effect of that evidence is so clear, so broad, and so plain that he who runs may read. No evidence was given that for a moment threw any doubt upon the applicability and advantages of the Reiffeisen banks to this country. There was some opposition, but no fair-minded man, I venture to say, can read the evidence and feel that there was a single shadow of an argument against their applicability to Canada. So unanimous was the really valid testimony of the witnesses before that committee, that the committee reported without hesitation in favour of the Bill that was then before the House, and that Bill went further than merely providing for the establishment of co-operative banks. It provided machinery for the establishment of co-operative institutions for distribution and production. However, objection on constitutional lines was afterwards raised to these features of the Bill; they were eliminated, and another Bill was introduced and passed this House. Unfortunately it was defeated in the Upper Chamber, so that today we stand where we did ten years ago. I say to the discredit of Parliament we have provided as yet no machinery whatever of a uniform character, which is the first essential, to give the people of this country the advantage of co-operative banking as it obtains in almost every civilized country on the face of the globe. I should have said a few moments ago, that not only has it done great service in all the countries of Europe, but this last year in Japan alone, I believe, some five hundred banks were organized. The system has been introduced in India; it is doing remarkable service there. The testimony to the work which it is doing is just as unanimous from one country as from another. Surely if the British committee looked into this matter with great care and thoroughness, if they and Lord Curzon, who acted upon it, were not afraid to entrust the custody of the people's money under the co-operative system to the Bengalee of India, surely this Parliament should not hesitate to entrust the same machinery to the hands of the plain people of Canada.

Let me read some of the authority that was adduced before that committee in 1907. I gave the number of the banks that I understood were incorporated last year in Japan. I have just been informed that the total number actually doing business in the Empire of Japan is 1,880, and I might add that the total loaning business done in Europe alone by this system of small co-operative banks has amounted to the stupendous aggregate of $15,900,000,000. Let me read this from the first authority which was adduced at the committee. The first authority so far as text-book writing goes on the subject is Mr. W. H. Wolfe, the English expert, and Mr. Wolfe speaks from the elevation, not only of a painstaking student, but of a thoroughly experienced man who, for twenty years has himself conducted the operation of co-operative banks in the old land, and who was recently and I believe still is, chairman of the International Co-operative Union of Europe. He says that the present banking facilities of that country minister in normal times sufficiently to the needs and welfare of the wealthy and medium classes, but ministers not at all to the needs of the poorer people, and that the advantages, the whole instrumentality of credit which is the very basis upon which a man builds his success in this world, is denied under our system and under the British system to the poorer classes. No one can controvert that position. It may be that occasionally a poor man, if he is honest, can get a small loan, but the practice obtains in so limited a degree as to be negligible. The poorer classes of this country, if they be ever so honest, do not as a matter of practice, and cannot as a matter of possibility, secure the credit to which their honesty entitles them in the commerce of the world. There can be no greater benefit, there can be no greater blessing given to the humbler classes of any community, than to so press out the machinery of our banking system, to so extend it, as to reach those classes of people who are not now served and to enlist in the service of the state and in the full plentitude of citizenship, with all their potentialities and possibilities, the poorer classes of the country. By doing so you perform an educational work the advantage of which it is hard to over estimate. More than that, you teach self-reliance, you teach the great principle of mutual help, than which there is nothing more efficacious in securing the common advantage. You implant in the poor man the thought that this honesty of character, known as it is amongst his fellows, has been sufficient of itself to enable him to get a small loan, and, having implanted that in him, you give him an encouragement that is worth not a little. He knows he is placed upon his honour and his honour is open and plain before the gaze of his neighbours. Before his friends and his neighbours he is placed upon his honour to repay and there is nothing like an extension of credit upon the basis of a man's honesty and the placing of him upon his honour in the plain light of day to add to the fibre of his moral character. The result has been as beneficial in adding to the comforts of the poorer classes as in adding to their personal character and moral fibre

upon which their claim to consideration must be mainly built. It is the plain duty of this House, as of every Parliament, to do everything it can to extend our financial machinery so as to give the advantages of credit to the humbler classes of the people. It is not too much to say that the class which I have in my mind constitute the majority of the people of Canada. That the majority of the poorer people of the country are to-day without adequate and, in large measure, without any possible credit facilities at all, and as a result, being stripped of that power, they are not doing the service to the state which they otherwise might do. Mr. Wolfe, referring to those people, says:

Give 'the million' that productive power which is to be found in the command of working capital, and though the millenium cannot be expected to arrive at once in consequence, there can be no doubt that many of our social and economic troubles will be mitigated, if not wholly relieved, that employment is likely to become more steady, and more remunerative, comforts are likely to become more attainable, therefore contentment may be expected to become more general and pauperism more circumscribed than they are now.

Let me draw the attention of the House to the report of Mr. Dodge, statistician of the United States Department of Agriculture, who writes on this subject as follows:

These people's banks have a success that justifies their existence, as they fill a virtual vacuum in banking opportunities for the agricultural and industrial classes. Perhaps equally needed in this country are such facilities for self-help, through small savings which are the basis of small loans to those who are by their circumstances practically excluded from the ordinary credits of the banks. Possibly such facilities here may lead to self-reliance, financial co-operation and thrift, and thus improve the condition of large numbers of men of limited means and isolated position who are now beyond the present stimulus to enterprise and economy of existing savings banks, national banks, trust companies, and other financial institutions.

Mr. Wolfe says further:

We pride ourselves, on both sides of the political boundary line, upon our 'popular' institutions, which make us, as we think, the most 'democratic' nation in Europe. Nevertheless, in respect of the main supports of the two great divisions of our economic fabric, we are distinctly anti-democratic. As the basis of agriculture we have land laws which, for good or for evil, are from a democratic point of view, a century at least behind those of other countries. And as the basis of commerce we have credit still almost the monopoly of the rich. We do not, accordingly, know that which, thanks to their people's banks, the Germans and Italians have well learnt, namely, what an ample and practically inexhaustible resource of productive power there lies hidden in the labour, the frugality, the honesty of the nation's workers, as material for what Commendatore Luzzatti calls 'capitalization'—just as people who have not seen rivers like the Danube or the Rhine, could not possibly estimate from the little rills and driblets which go to make them up, what a vast volume of water may be collected from those insignificant sources.

A word from Mr. E. A. Pratt who, writing as late as 1904, on the organization of agricultural credits, says:

Another factor in the situation is the absolute need that agricultural credit should go hand in hand with agricultural organization. The necessity for this dual arrangement has been proved over and over again on the continent of Europe, and though the financial position of British agriculturists in general may be more favourable than that of the peasantry in various other countries where an easy agricultural credit was established years ago, the extreme desirability of such credit being available in Great Britain, also, is beyond any possible doubt.

I do not need to add testimony to testimony. As far as establishing the actual results obtained in various countries goes, I think I have succeeded and I shall conclude by a reference to the results obtained in our own country. I call the attention of the House to what has been going on in Canada even since that investigation of 1906, and I will ask the House to compare the results that have actually been achieved with the dangers foreboded by certain hon. members of this House when the matter was under discussion before. At the time this matter was investigated by this House there were only some four or six credit banks in actual operation in Canada and the largest of these credit banks had a very limited capital of $44,957.15. That was the extent that this movement had reached in the province of Quebec which was the pioneer province in Canada in regard to this matter. What is the condition of affairs to-day? At the present time, without any law enacted by the Dominion Parliament but operating only under the authority of a statute passed by the province of Quebec, there are in that province no less than one hundred and five co-operative banks actually doing business; and there are outside that province, operating under the authority of no statute at all, at the present time, six co-operative penny banks.

But the crying need of those who have the progress of this movement most at heart is for a uniform banking law, such as this House has undoubtedly the power to pass; a uniform banking law applicable to all the provinces providing clear, plain, and simple machinery for the incorporation of these banks in each and every province of Canada. At the present time those doing business in Quebec are under the statutes of that province and those doing business in Ontario are utterly without the protection or aegis of any statute whatever.

In the province of Quebec the first of these banks organized was in Levis, which is a town of about 7,000 people. The operation of these banks in the province of Quebec is for the most part confined to single parishes. The bank at Lévis has a share basis of five dollars per share, and there have been paid in in shares since its organization $144,881.29. These shares are withdrawable—and that was one of the chief objections raised to the Bill that was before this House; but the total amount withdrawn since 1901 amounts to only $9,950, or not much more than twelve per cent of the total amount paid in. The balance on hand of share capital is $124,931.29, and the total amount of share capital paid in when this House had the matter under consideration before was only some $44,000, so that from the tremendous advance made by this one institution in the town of Lévis, there is a lesson which we can take some instruction from. The total amount of deposits—because, as I have stated these banks have power to receive deposits but only from their own members living within the circumscribed area in which the bank operates—the total amount of deposits is $549,699 or about four times the total amount of the share capital. The amount of deposits withdrawn was $493,190 leaving a balance of $56,208.77. The loans —and this is what they are organized for—the loans amounted to a grand total of $989,079.41, or almost $1,000,000 of loans made by this small co-operative bank at Lévis within a period of about ten years, and all these loans were made in very small amounts. As a matter of fact the total number of loans made by that bank was five thousand six hundred and seventy, and of that number three thousand nine hundred and twenty-six consisted of loans of between one dollar and one hundred dollars.

From these figures can be obtained a very clear idea of the nature of the business done and of the nature of the need satisfied by these small banks. The interest charged, according to the evidence before the special committee of this House, averaged up to that time at the rate of six and a fraction per cent, and, they pay their shareholders five per cent on their money and have accumulated at the present time a large and substantial reserve. They pay their depositors three per cent as in the other banks. Now, an important thing in connection with this is, that not one cent has been lost by any of the one hundred and five co-operative institutions in the province of Quebec, which for some ten years, have been doing business. It is also a fact that not one cent has been lost by any co-operative bank that has ever done business in the Dominion of Canada. What I mean by that is, that the small individual borrower, the man who borrows on his honesty of character, the man in whom his neighbours have confidence and who borrows a small amount to buy his tools or his implements, has proven true to his trust and in no case has there been a loan made where the borrower has failed to return it. There has not been one cent lost in loans in all the years of the operation of these banks, and under the aegis of their statute in the province of Quebec they have increased from six in the year 1907 to one hundred and five in the year 1913. And when I say they are increasing in Germany at the average rate of two and a half per cent per day, one can understand what may be expected in this country if these banks are afforded the facilities which flow from the sanction of Parliament. If we enact a uniform law so that the citizen of one province passing to another and desiring to avail himself of the advantages these banks afford, without compelling him to learn a new system of regulations, then an enormous impetus will be given to these banks. This is not a small matter; it is a matter of very great importance, and it is demanded with importunity by those who are at present operating under that lone provincial statute in Quebec, and it would be welcomed with very great enthusiasm by citizens of other provinces and, I believe, by the poorer classes of Canada generally.

Mr. AMES: What security does the borrower give?

Mr. MEIGHEN: In the first place, in so far as the system I have heretofore been endeavouring to portray is concerned, there is no such thing as long term loans on land security. The banks as introduced in the province of Quebec are on a personal credit basis and that is the central feature of the Reiffeisen bank. In Germany, these banks are borrowing banks as well, and they actually issue debentures and are themselves borrowers and loan to their customers. In this country so far as I know, these banks are not borrowers at all. They provide themselves through their own membership in share capital and in deposits what money they loan, and they loan all that money on personal credit and on nothing else. That is to say, there is no money advanced on land, and I believe no money advanced on chattel security. But the credit board who dispose of applications for loans may, if they desire, demand the endorsation of one or two other members, but of no one else, before they grant a loan. Perhaps I should add that it is a uniform practice, and embodied in their by-laws, that no member of this credit board shall be himself a borrower; the member excludes himself from the privilege of borrowing by permitting his election to the board. Furthermore, it is the uniform practice that no officer of the society shall

receive any remuneration whatever, unless it be the manager. That is the uniform practice in Germany, and I believe it is the uniform practice here. That is as much a principle of Reiffeisen banking as anything else. The advantage is that it enables the smaller borrower to relieve himself of the additional load of the profit of the middleman in banking. I have nothing to say against the middleman. So long as our financial system, the commercial fabric of our country requires the middleman, he is as good a citizen and is doing as honest a business as anyone else. But I think I shall not be contradicted when I say that it is the business of legislation, as far as possible, to bring the producer and the consumer together, to eliminate, as far as we may, the necessity of the middleman. Doing this we benefit the whole community. Let us commence in the financial sphere first; let us provide the machinery that shall enable the producer of money and the consumer of money to be their own middlemen, to do their own business and in that way not only save great expense but add to their knowledge of business, add to their appreciation of capital, add to their conviction that it is worth while to save pennies and make dollars.

I have referred to the success so far attained in Canada. With that my relations of the practice of this class of banking ends. Let me go now one step further. Where this practise is developed to its fullest extent it has led to the result that the state itself has organized a central bank, an institution to do the business of these smaller banks. Let me repeat that, because I am now coming to a great principle which I think is at the bottom of the advantage that has been reached through this class of banking; the state organizes the central bank which does the banking business of its customers, namely, the smaller co-operative banks. What is the result? All the moneys that these societies have on hand are deposited in that central bank, which I repeat again, is their bank. I do not call for the establishment of such a bank in this country at the present time; it would be insane to do so; we are not up to that point yet. But if these institutions spread in Canada as they have in other countries—as they are almost sure to do—the time must come, as it has come elsewhere, for the institution by this Parliament of a central bank to receive the deposits and do the banking business of these smaller individual societies. And there would be no reason in this country why that central bank should not have the note-issuing power, like other banks. The result would be to give a great uplift to the system of small banking and greatly to benefit all the people. What is the principle, I have indicated a moment ago? It is this: Under the banking system of this country, as under the banking system of England, branch banks are the property, the adjuncts of the central banks, they are under the control and do the bidding of the central banks. This is control by the centre and is the source of the suffering I complain of at the extremities. If what I have pointed to should materialize in the co-operative societies, if they should so multiply and prosper as to need the central bank to do their business, the reverse will be the case. The larger bank will be the adjunct and will do the bidding of its customers. It will be the central bank which will be controlled by them—the very reverse of the other case. And I think it will offer a magnificent and useful complement to our banking system. We shall then have the strength and the stability, and the ability we now have to mobilize capital where it shall do the most good; and at the same time there will be reasonable protection for the smaller man.

I had not intended taking up anything like so much of the time of the House, but I should not be doing justice to the resolution if I did not refer, even for a few moments, to another feature of co-operative banking, namely, co-operative banking on the basis of land credit as distinguished from personal credit. And, as I approach this part of the subject, let me premise that I am not convinced that the time has come in this country, as yet, when the application of the principle of the landchaften bank as now successful in older countries can be made to advantage in this country. I think we should proceed first along the line of personal credit societies, and that, at least so far as the provinces with which I am more intimately acquainted are concerned, the time has not yet come when we can import into Canada the central principle of the landchaften bank or land banks as existing in Germany and all the older countries. I say this notwithstanding the fact that the report of the American commission is distinctly favourable to the importation of this system into the United States; I say this notwithstanding that even so high and conservative an authority as President Taft has distinctly and emphatically recommended to the Congress of governors the immediate application of the land mortgage banks to the American Republic.

What is the principle of these banks? The principle is simply analogous to that I have been detailing as regards personal credit banks. That is to say, land owners and farmers get together and constitute themselves a co-operative society. Those who have money deposit it in the society, and those who desire money and are members of the society borrow on the security of mortgage for long term, at low interest. The institution itself issues debentures, and

secures money in the home or foreign market. And the end is that the land mortgages in that way secure a reputation for mobility and liquidity equal to other debentures, municipal or state debentures, the final outcome, and of course and the desideratum looked for, being the lowering of the rate of interest. That has been secured, but what I fear at the present time is that in our country—at all events in the western portion—the variations of value are so great and so sudden, and conditions are so unsettled as regards real estate values, that we could not reasonably ask the Government to take steps at the present time in that direction. But it seems to me that when we are considering the first part of the subject, we should give thought also to the second, because the system is undoubtedly capable of such extension as will give to the people of this country, from one end to the other, a system of co-operative land-banks, with, perhaps, special encouragement by state legislation to take as part of their securities long-term mortgages.

An essential feature of co-operative banking, in so far as land loans are concerned, is what is known as the amortization plan, and I think that even at the present time something might be done to put a premium on amortization loans, and discourage as far as possible the present system of short-term land loans, which are very disastrous to the rate of interest, greatly inconvenience the farmer in very many cases, and bring him to ruin in many others. The principle of amortization is this: A loan is made on the security of a mortgage, and that mortgage stands for twenty, thirty, fifty, or, as frequently happens in the older countries, seventy-five years. It is paid for in equal amounts annually, similar to municipal debentures. A sinking fund and interest is provided, and in France the sinking fund and interest amount to seven and a half per cent when the term is twenty years, the result being that the farmer holding an amortization mortgage for twenty years, paying at the rate of seven and a half per cent per annum, has his entire loan discharged at the end of twenty years, whereas in this country he would pay more than seven and a half per cent annually as interest on the loan, and would owe the entire principal at the end of the twenty year period.

What is the amount we are now paying in the way of interest on loans; what is the extent of our suffering in that regard? I have found it impossible to obtain the exact figures; if others know of the source from which they can be obtained, I would be very glad to receive the information. Our loan tables say that the loan companies of Canada have loaned on real estate about $222,000,000, but I am informed that only a comparatively small number of loan companies have reported, and that there are a great many companies organized under provincial charters, so that no reliance can be placed upon these figures as being significant of the total amount of loans on farm lands in this country. Furthermore, a great deal of loaning is done privately and from banks and, of course, the mortgage company rate dictates and controls the private rate, so that, from our blue books, full information cannot be obtained as to the amount of mortgage loans and the interest thereon. But the Monetary Commission of the United States, which sat for some months two or three years ago, reported that the farmers of the United States are annually adding to the capital of the nation about $8,400,000,000, that they are doing this on a borrowed capital of $6,000,000,000, and that on this borrowed capital they are paying an annual interest charge of $510,000,000. Comparing this country with the republic to the south, and taking into consideration the fact that in Canada the predominance of agriculture is proportionately greater than it is in the United States, I think I am well within the mark when I say that the total amount of borrowed capital of the farmers of Canada is not very far from—and is certainly not below—$750,000,000. The rate of interest fixed by the Herrick Report surprised me very much. That Report is authority for the statement that the rate of interest on farm loans in the United States average 8½ per cent, and that the rate of interest on the amortization land mortgage plan in Europe is below the commercial rate—between 3½ per cent and 4½ per cent. If the rate of interest on farm lands in the United States averages 8½ per cent, it undoubtedly averages at least that amount in Canada. From my own experience, I would not be disposed to say the average is more, but, having regard to the light thrown upon the subject by the United States Commission, it would appear that our farmers are paying an average rate of, perhaps, 9 per cent, and undoubtedly, many borrowing parts of this country are paying 10 per cent on first mortgage loans. That is a statement which I will ask hon. members from the farther West to challenge if possible, and to affirm if they agree in its correctness. The farm rate, however, averages considerably higher than the commercial rate, whereas under the operation of co-operative banks in Europe the average is lower than the commercial rate in that country. If, therefore, by our enterprise in this regard, we could reduce the rate by even one per cent, we would be effecting a saving to the agriculturalists of this country of at least $7,500,000 a year, and, if we

could effect anything like the saving that has taken place in Europe, it would amount to many millions of dollars annually. Whatever can be done will be appreciated, and, with every possible confidence, I make the statement that if we launch out vigorously and carefully on an organized system of co-operative credit banking, we take a long step towards reducing the rate of interest at least to the poor people of Canada, and, undoubtedly, to the farmers generally.

In the town of Lévis there are, I am informed, some four branch banks, about the average number for a town of that size. There were that number when co-operative banking was first commenced there. Co-operative banking has since that time done the business I have indicated and in that ten years not one of these branches has ceased to do business and each of them has had the benefit year after year of deposits by these co-operative institutions. There is nothing to fear from the shark. The double protection of geographical limitation and the interest of neighbours, added to the whole principle of co-operation, has proven sufficient in days gone by to protect the public against the shark, and to protect these banks against loss, not only against destruction themselves but against loss in loans and surely if the poor Bengalee, who, according to Macauley at least, is the very personification of deceit, whose chief weapon it is, as necessary to him as horns to the buffalo or beauty to the woman, surely if he is to be trusted with co-operative banking the people of Canada may be trusted. I do not expect any more than Mr. Wolfe does to see the institution of any millennium by this system but I do look for substantial relief. They have done much in fifty years for the creation of wealth in one way. They have not made any huge fortunes it is true, but they have done what is infinitely better, they have made the modest fortune of many millions of people. If they have not done much in the way of the creation of wealth they have done service in what is a far better cause, in a cause that is challenging attention to-day, in tones more imperious than ever before in history, the cause of the distribution of wealth; and if they have done that in other countries let us enlist their services in this.

Mr. W. A. BUCHANAN (Medicine Hat): I think the hon. member for Portage la Prairie is entitled to the thanks of this House for bringing up the very important question involved in this resolution and I confess I am in sympathy with most of what he has to say on this question. As he is an influential member on the Government side I hope he will be able to influence the Government to do something in this direction either to encourage agricultural banks or adopt the system that is in vogue in the Antipodes, that is state loans to farmers. Some of us, when we advocate these ideas of assistance to our people, are considered somewhat socialistic, but this is an age of progress, this is an age when we are anxious to legislate so that the greatest good will be done to the greatest number of our people, I believe that that is the object in view in this particular proposal which has been brought before us. I wish to speak more particularly of conditions in western Canada. In the West there is general complaint that the rate of interest is high and that money is difficult to get by the people who are located on the land. We all realize that the development of this country depends upon the development of our agricultural resources, because the prosperity of the whole country depends upon the development and the advancement of the agricultural industry throughout Canada. We have in western Canada still a great amount of land unsettled and untilled. We want to encourage the people to go into that country, to till the soil and become productive citizens of Canada, to increase the riches and wealth of the nation. There is a general feeling which has been expressed during the debate on the Bank Act that the rate of interest charged by the banks is far too high and that it is difficult for the farmers to secure money from the banks. We have in the Bank Act, it is true, a rate of interest fixed at seven per cent, but I know and I believe it is the general knowledge of every western member that the rate of interest is much higher, that the rate charged by the banks will average ten per cent at least. If we could provide by our new Bank Act this year and have it absolutely fixed that the interest should not be more than seven per cent and that there should be a penalty when more than that is charged, we should then do something in the direction of eliminating the high rate charged for money in Canada. But with the experience of other countries brought forward by the hon. member for Portage la Prairie and the experience in Australia in recent years, it is found that money can be borrowed considerably cheaper than the rate fixed in our Bank Act. There is a difficulty in the way of our farmers securing money from the banks. They must really be intimately acquainted with the bank manager, he must have a thorough acquaintance with the character and history of the person wanting to borrow money before he will advance any. In western Canada it is difficult for the bank manager to acquire information about people who have just recently come from eastern Canada or any part of the continent.

Then, again, the mortgage companies are

large lenders of money. They charge a considerably higher rate of interest. There are also private loans. Only a short time ago I wrote to a leading legal firm in Lethbridge to ascertain the average rate secured from all loans and the reply was that the average current rate on loans of private funds to farmers was ten per cent. That may be a surprise to some hon. members, but I know from personal experience that a few years ago it was very difficult to get eastern Canadians to lend money in western Canada. Probably they have more faith in the country now than a few years ago. When I first went to the West I borrowed money from a friend of mine in the East. I suggested to him that he should lend more frequently in the West. He said that his clients as a rule preferred to take the smaller interest given in Ontario than to risk money on loans in western Canada. It is difficult to get the low rate which farmers in western Canada would like to get and as a result the organizations of farmers in my province have been taking up this problem with a view to solving it and putting the farmer in a position to borrow money at the lowest possible rate. One of their plans is that which has been adopted in the states of Australia and in the Dominion of New Zealand. That, of course, is more or less paternal legislation but we are running a great deal in this country to state ventures and I believe this matter of state loans to farmers is worthy of the consideration of this House and, as the matter is now being brought before the House more for the purpose of enlightening members of Parliament on this particular question and endeavouring to convince the Government that some action should be taken along this line, I intend to refer later on to the system in vogue in Australia and to give some figures in regard to it. Now I claim that if money could be secured in western Canada at a smaller rate of interest than at present, it would add greatly in the development of the country. I think that every member of this House will agree with me in that regard. Hon. members are acquainted with the fact that the Canadian Pacific railway secured a great land grant when they constructed their transcontinental line. As soon as the development of western Canada commenced, the Canadian Pacific railway disposed of those lands in a great many cases to speculators. At the beginning of this year, however, they put into effect a policy that in the future land was to be sold not to speculators, but to the actual settler, and to enable him to go on the land they allow him a considerable period, I think twenty years, in which to pay for this land. They are also quite willing to advance enough money to the man who takes up this land to enable him to erect buildings on his farm and to purchase live stock. The Canadian Pacific railway is practically going into the loaning business, in order to encourage the settlement of its lands in western Canada, and I believe that the system will work out with success. In western Canada we are anxious to develop mixed farming, and I believe that the question we are discussing to-day is related to mixed farming. Speaking generally the people who have gone on those lands are people who have taken homesteads with very little capital. They have faced the adverse conditions which prevailed in the early days, they have met with reverses on certain occasions, and they have practically no capital. It would be their salvation to get some advance of money to enable them to buy some live stock and to go into mixed farming in a small way and it would put them in a better position to face reverses that might come in the future. But they are unable to do this because they have no capital. It is difficult for them to borrow money; the homesteader practically finds it impossible to do so. I claim that some system of this kind would be of inestimable value in the development of mixed farming in western Canada. I have just noticed that the legislature of the province of Alberta intends to introduce legislation in regard to the notes which the farmers in western Canada have to sign in payment of agricultural implements. It struck me while the hon. member for Portage la Prairie was speaking, that if the farmer was in a position to borrow money to enable him to buy his agricultural implements outright he would be in much better position, for those who live in western Canada know that the notes which the farmers sign, and many of them sign in ignorance of their effect, remain a grip on them for many years. Indeed, it is a system which has caused a great deal of distress in western Canada this year. When a farmer buys an agricultural implement in western Canada, he mortgages his farm and everything else to the implement company. They are very anxious to dispose of the implements to the farmer, but when the payments fall due, those companies are almost relentless in making him foot the bill. They do not consider his position or the conditions which he has to face during the season. Under a system which will enable a farmer to borrow money, he would be in a position to pay cash for those implements and then get his loan either from a state bank or from a co-operative agricultural bank.

Let me briefly refer to the system in vogue in the Antipodes. The hon. member for Portage la Prairie dealt more particularly to-day with the systems adopted in the older countries of Europe. With the Australian plan many hon. members are no doubt familiar, and I think it is one worthy of the attention and consideration of this House and of the Government. I have known it to be called somewhat

socialistic, but as far as I can ascertain it seems to have been profitable in that country. The system is familiarly known as one of state loans to farmers, and it is in vogue I think in all the provinces of the Australian Commonwealth. It is also in vogue in New Zealand. Let me take the case of South Australia. The South Australian Advances Act was passed in 1895. The lending office established by it is called the State Bank; the members of the Board of Supervision are termed trustees; and the general manager is called inspector-general. The business of the State Bank is to lend money to farmers and graziers in aid of rural industries. The Government reserves power to define rural industries by proclamation. The Advances Act itself, however, specifies that they shall include meat freezing, wine growing and dairying. Wine growing I may mention, is a highly important industry in South Australia just as meat freezing and dairying are in New Zealand. Advances to farmers are not to exceed three-fifths of the value of the property, which must be freehold or leasehold held from the Crown. Where it is a leasehold, the state loan must not exceed half the selling value of the lease. In no case is the bank's valuation of unimproved land to exceed the figure at which it is assessed for the Government land tax, a very sound precaution. The trustees are colonists of standing. They receive a fee of £2 2s. for each meeting of the board which they attend, and a very moderate travelling allowance—10s. 6d. daily. Statutory penalties are provided for jobbery or misconduct. The trustees are authorized to lend money, not only to settlers, but to municipalities and other local bodies for all purposes coming within the scope of ordinary municipal enterprise, or to pay off former loans. In the South Australian scheme, and I take it because it gives the most lucid illustration of the system generally in vogue in Australia, we find a system of instalment loans and repayment by sinking fund as in New Zealand. As in New Zealand, too, the mortgagee may pay off the whole of his debt at any time on giving notice. This is a summary of the act given by a man who is well known in the politics of Australia, the hon. W. P. Reeves. I have taken his views from a book which he recently published on the progessive legislation of Australia and New Zealand. Instead of a regular stipulation for seventy-three half yearly payments, with a right to the borrower to hasten the end by depositing sums at any time to go in liquidation of the principle, the South Australian Act presents a complex schedule, defining the terms for which the borrower may agree to mortgage his land at the outset. The least of these is three years and a half, the longest twenty-one years. The one involves seven half-yearly payments of interest and principal, the other forty-two. The arrangements for raising the capital for the boards to lend out is ingenious and economical. Instead of raising a large loan in London as the New Zealanders did at the outset, and having difficulties with the employment thereof until it is absorbed in the advances applied for by settlers, the South Australian board raises money locally by issuing debentures called mortgage bonds. These mortgage bonds yield three and a half per cent, and are guaranteed by the government of the colony. They have a five years' currency, are negotiable, and interest on them is paid to the bearer. The board issues blocks of these as it requires money, and, so far, they have been taken up without difficulty chiefly by savings banks and insurance companies. Hence it comes that the board is able to claim that it does not borrow more money than is absolutely required, and does not have capital lying idle on its hands. On the other hand it pays three and a-half per cent for its capital, whereas in New Zealand, the rate paid is from three and one-eighth to three and one-quarter. From the borrower's point of view, however, the South Australian advances have one great advantage over those of New Zealand. The rate of interest is less by one-half per cent. Instead of five per cent, four and a-half per cent only is charged. The office fees, too, are even lower.

At the end of March, 1902, the South Australian trustees had been at work six years and two months, and had lent out £713,000. Between £175,000 and £176,000 of this had been repaid, and £176,000 of mortgage bonds had been repurchased and cancelled. Two-fifths of the sum lent was put out during the first fifteen months after the Act began to work; since then the pace has slowly slackened. In March, 1902, I find in the statement of liabilities and assets £711 put down as arrears of interest, but there is no entry of arrears of principal. I think it is a remarkable tribute to this system that during five years, up to 1902, there is no entry of arrears of principal and only £711 arrears of interest. The interest received by the bank in the year amounted to £23,000. The net cost of management of the South Australian Bank is £3,400; that of the New Zealand Advances Office, £3,933; that of the Victorian Advances Department and the West Australian Agricultural Bank, £4,465 and £1,450 respectively. In South Australia just over £3,200 of this is set down to officials' fees and salaries. In New Zealand salaries amount to nearly £3,200. I said 'net cost' just now because I had deducted from the total ex-

penses of management the various fees received by the offices. The South Australian fees are extraordinarily light. All mortgages there are prepared for nothing.

I am bringing this matter to the attention of the House because it is the system that has been adopted throughout the states of the Commonwealth and, as far as I can ascertain, it has worked successfully. I just want to refer to the case of Tasmania to show that the adoption of what may be called a paternal system has not been taken advantage of in the least by the people who have borrowed from the state banks. I would refer to the Official Year Book of the Commonwealth of Australia for an outline of the system in vogue in Tasmania:

Tasmania. (i) Legislature. Under the State Advance Act 1907, assented to 22nd November of that year, authority is given to make advances to persons holding land on credit purchase. Three persons called the Trustees of the Agricultural Bank of Tasmania have power to administer the provisions of the Act. Funds were raised by the issue of debentures or inscribed stock for a sum not exceeding £50,000, interest at 4 per cent per annum being payable on same.

(ii) Purposes for which advances may be made. Loans may be granted for any of the following purposes:—(a) payment of liabilities already existing on the holding; (b) carrying on agricultural, dairying, grazing or horticultural pursuits; (c) making or adding to improvements.

(iii) Amount of loans. The minimum amount of any loan is £25, and the maximum £500. No advance may exceed one-half of the amount actually paid to the Crown in respect of the land held by the borrower under purchase upon the credit system, plus one-half of the present value of any improvements upon such land.

(iv) Repayment of loans. Interest at the rate of 6 per cent per annum is payable on all advances made. After five years the borrower must begin to pay off the principal in fifty half-yearly instalments, but the advance may, at the option of the borrower, be repaid at any time sooner than is provided, and in larger instalments.

(v) Particulars of the operations of the Agricultural Bank. During the eighteen months ended 30th June, 1909, seventy-seven applications for advances were made, which, with forty-nine carried over from the previous year, made a total of 126 applications, representing £11,110. Of these, 94, of a value of £6,571, were granted, the amount advanced being £5,687. The amount repaid during the period was £30, leaving a balance of £5,657 outstanding. For the year 1909-10, the number of applications for loans was 82, totalling £5,845. The trustees of the bank approved of 61 of these, amounting to £3,593, and refused 11, representing a value of £850, owing to the applicants not being entitled to loans in accordance with the Act. During the year one borrower failed to comply with the requirements of his mortgage deed and his selection was sold.

I believe that the matter now brought before the House is worthy of serious consideration. I trust that the hon. member for Portage la Prairie will be able to influence the Government to do something in this direction, to offer some encouragement to this movement, because it will be an inestimable benefit to the farmers of the country and particularly to the farmers of western Canada. It is the duty of the Government to assist and encourage the farmers who have located in Canada, to make life as easy for them as possible and to enable those who have settled on our western prairies to make the best of their efforts to provide a competence for themselves and at the same time to add to the wealth of the country. I believe it can be done to a great extent in this way. I agree with very much that my hon friend from Portage la Prairie has said with regard to co- operative agricultural banks as they exist in Europe. I have read about them and I have satisfied myself that they have been of great service to these countries. Surely in Canada we can at least be in as advanced a stage as the countries of older Europe and as we have more modern ideas we should adopt anything from the older countries which would be helpful to the people of this new country.

Mr. E. W. NESBITT (North Oxford): I have been listening very carefully to the last two speakers. I cannot quite understand how they are going to form little co-operative companies in the West, we will say, around a township, let the farmers deposit their money with them, and at the same time expect that these societies are going to be of much benefit to the people who require such assistance. I was always led to believe that money was taken from places, such as my own locality which has been long settled, and utilized in other parts of the country where there was a greater demand for it. I could understand farmers in my section of the country forming a little co-operative bank and depositing their money in it; but what good would it do the farmers of the West if the bank could only lend the money out to the farmers in the section of the country in which it was located? As a matter of fact, farmers do put their money in the banks and the banks carry it off to the West, as also do the loan companies, and lend it out there very freely. There are places, no doubt, in the West, where they could form a local bank, such as hon. gentlemen have been talking about this afternoon, and these banks could perhaps supply money when it was needed. But it reminds me of the story of a mining camp which was blocked up for the winter; they had one fifty-dollar bill and somebody suggested the idea of passing it from hand to hand and thus paying their debts. It was passed from hand to hand until finally it came back

to the first person who had possessed it. My hon. friend from Lethbridge (Mr. Buchanan) talks about the scarcity of money in the West and the great help it would be to get cheap money. Let us see what my hon. friend would accomplish if he formed little societies amongst the people, if the people put their money into these little societies and if the societies loaned it out again to the people. The hon. member for Portage la Prairie (Mr. Meighen) worked himself up to a pitch of enthusiasm in describing how easy it would be to obtain loans if those banks were established, but he spoiled it by quoting from some man named Wolfe, that the millennium would not arrive for a couple of years even if this plan were adopted. That shattered my hope because I thought that perhaps I might be enabled to borrow some money myself.

An hon. MEMBER: And keep the wolf from the door.

Mr. NESBITT: Yes, to keep the wolf from the door, and by the way that is not a very appropriate name for an authority on banking. My hon. friend always speaks well, but I was surprised that while he was urging Parliament to do so much for the farmer by abolishing the middleman, he did not dwell for a few minutes on abolishing the duty on farm implements which we used to hear him speak so much about a couple of years ago. However, I suppose he must have something to dangle before the eyes of his constituents and we can therefore forgive him from a party point of view. I remember listening to the exponent of a co-operative system some time ago, declaring that they had formed a co-operative society with the object of doing away with the middleman, and when I asked him who marketed the fruit for the society he told me, they paid a man five per cent for doing that. I asked him what they called that fellow, and he said he didn't know, but I would call him a middleman. I have no particular fault to find with the retailer, such as I have known him; I was in the retail business myself once and anyone is welcome to all I made out of it. The retailers with whom I have been acquainted have never made a very profound fortune, although, perhaps if they get large enough, and have a large departmental store, they may make a great deal of money. They may do away with a certain number of middlemen in that way. My experience is that everybody was not intended for a farmer, any more than everybody was intended for a banker, although a great many people have the idea that they are heaven-born bankers or heaven-born something else. If we had our own money to invest in the banks, the probabilities are we would not be very keen to loan it at three and a half or even five per cent. My experience has been that the poor man, if he be honest, is able to get money just as cheaply and in proportion to his needs just as easily as the rich man. The hon. member (Mr. Meighen) told us that the credit system by these credit banks was based entirely on the honesty of the individual, and if you consult men of large experience in the manufacturing or wholesale business in this country, I think they will tell you they depend more upon the report as to the character of the man than the report as to his means. I can quite appreciate that a small co-operative bank run by high class men in a community would not lose money because those in charge of the bank would and should know the character of the people to whom they loan, and they would not run any risk in trusting them. It may be that this proposition of the hon. member for Portage La Prairie may be a solution of the discrepancy between the wealth of one man and the poverty of another, and if it is I hope it will be adopted by the Government. I believe there are a great many co-operative societies of one kind or another in this country which have done well; but it all gets down in the end to a question of proper management by one person. You have to trust some person to manage all kinds of business, and if he is upright and trustworthy and knows his job he will make the business a success, but if he has not those qualifications, the business will fail. The great banks of this country have to trust to a large extent to their managers, and so the co-operative credit banks will have to trust to their management also. So long as there is not more money than there is demand for, the probability is that rates will stay very much where they are. It is a matter of supply and demand whether the money is to be loaned by a co-operative society or a bank, or a private individual. In my section of country there happens to be a certain number of people who belong to the country that we are somewhat afraid of, and they have the habit, peculiar to themselves perhaps, of loaning money to one another at a very cheap rate of interest—just about what they would get today if the money were deposited in the bank. But they will not loan money to anyone else. If a man happens to live even five miles away, they will not loan to him no matter what he is worth. They do not even take the trouble to take a mortgage; they accept a man's note, or even word. We could not have such little communities all over the country, or the great commercial business of the country would certainly suffer.

Mr. CARVELL: It would be the millennium.

Mr. NESBITT: It would. I should like to have got in to borrow some money from them myself. But they knew too much about me, and would not loan to me. The fact is, the ordinary money lender around our section does a large share of the business. There is a great deal of money loaned by private people. About one-half the demand for mortgages is satisfied with money from private people. Until the demand came from the West for money, that is, until about two years ago, many of these private individuals loaned money at five per cent. But it was not very long after the trust companies and loan companies raised their rate of interest when these private individuals got wise to the fact that they could get more for their money, and they raised their rates also. So, now, it is difficult to borrow money for less than six per cent. There are a few people still, people who are not willing that their money should get immediately out of their sight, that it should not leave their own close community, who will loan money probably at a little less. I only make these few remarks, lest some of my fellow-members who have not had as much experience in trying to borrow money as I have had might begin to think that from this date there would be no difficulty in borrowing.

Mr. W. F. NICKLE (Kingston): After listening for somewhat over an hour to the very lucid and exhaustive address of my hon. friend from Portage la Prairie (Mr. Meighen), I feel sure that the members of this House will agree with me that very little information could be added on the subject so ably treated by him. Coming, however, as I do, from a constituency that is not agricultural but is rather industrial, I think, perhaps, it is not unfair that I should draw the attention of the House to the fact that the condition that the hon. member says exists in the agricultural districts also exists—perhaps in a less degree—in the industrial centres of Ontario. The hon. member for North Oxford (Mr. Nesbitt) seems to discuss this measure with the idea that it would bring about the millennium. I doubt that any of us will live to see the millennium, because, like the horizon, it will always be beyond us. But, if I understand the function and opportunity of Parliament, it is not to seek the millennium, but to take such steps in legislation that advancement may be possible and the condition of the people somewhat bettered. I agree with what the hon. member for Portage la Prairie says that at the basis of all credit is the integrity, the honesty and the worth of the borrower. But when you come to borrow from the large financial institutions of this country, something more than honesty, integrity and worth of character is demanded—that is, a tangible security. And it is just here that the ordinary worker fails. He has the integrity, the honesty and the worth of character, but in the period of pinch he is unable to produce the security upon which the loan is necessarily made. If I understand the position of the hon. member for Portage la Prairie, it is this—and I may say I have dabbled a little in the subject myself, and have read pamphlets upon it—that in the dealings of the working classes and agricultural communities with the banks there is no readiness in their management to make loans because the local managers are apt to deal in big things and do not know the worth of the individual worker. The hon. member offers as the solution of this difficulty that men should bind themselves together in small groups, each known to the other as a man of worth and honesty, and, as each does not at the same time require to borrow from the central fund, they establish that each in time of need borrow from the available funds for the advancement of his interests. I believe that this is sound in principle. The banking system of Canada as worked out, is a series of institutions, and there is no one of us who will dispute that there has been a tendency in the past few years to gather together the funds of the community in the less populous districts and carry them to the great centres, not for the advancement of commerce or the general interest of the people, but rather for purposes of promotion and flotation. As compared with the small places in the United States where they have the unit system of banks, I think the small centres of this country suffer considerably. Where some $50,000 or $60,000 or $100,000 is collected from the people of an immediate neighbourhood, a board of directors chosen, each of whom knows the constituency to be served, ready means of credit is offered. It would be useless to cite instances here and there, but those who know the American as compared with the Canadian system cannot be blind to the fact that many of the small centres of the United States, more particularly the border towns, of which I have some knowledge, have made tremendous progress through the industrious activity of the boards of directors of these small banks and the loan of money for the industrial activities of the district.

I will not take up the time of the House with any further comment beyond saying that the scheme outlined by the hon. member for Portage la Prairie is one that meets with my most hearty sympathy; and I think its adoption under carefully drawn regulations would do much to extend to the labouring and agricultural classes of this

country the credit they much need and which at the present time they are denied.

Mr. MICHAEL CLARK (Red Deer): It is always interesting to listen to my hon. friend from Portage la Prairie. I admire very much his great ability, an ability which he displays in a very close and accurate study of any question to which he directs his attention and in the power of lucid statement by which he brings the result of his accurate study to the consideration of this House. I am glad that opportunity has been afforded him to unburden himself after what must have been the exercise of a very considerable power of self-restraint in connection with a subject closely allied to that which he has propounded this afternoon. I thought I observed symptoms in my hon. friend, of whom I have been a close watcher during the discussion of the Bank Act, indicating that he would have liked to have spoken on the subject, and I offer him my congratulations that he has found this much needed relief for a mental condition from which many of us at times suffer, and in regard to which a lack of legitimate relief is liable to be serious. I have one criticism to offer my hon. friend and that is that he has too many pious opinions. I understand a pious opinion to be one upon which we bestow a great deal of labour in its acquirement, and a great deal of energy in its presentation, but we hesitate very much before taking the necessary steps to put it into practice. My hon. friend delivered in the last Parliament a speech of greater analytical ability, I think, than that which we have just heard—not that I desire in this statement, to lessen the ability of to-day's speech—on the subject of the reduction of duty upon agricultural implements. In his action upon that occasion, we have a splendid example of a pious opinion, because, as the hon. member for Medicine Hat (Mr. Buchanan) has pointed out, the party of my hon. friend is now in power, and he has, I am sure, very great influence with that party, but when the party comes in, the pious opinions seem to go out. We have never heard a remark from the hon. member for Portage la Prairie since this Government came into power, regarding the necessity for a substantial reduction in the duty upon agricultural implements. I would counsel him to get rid of this frame of mind. I am one of the lenient judges of the present Administration. I have from time to time expressed my very great interest in my hon. friend the Minister of Finance, I think I may claim a personal friendship with the head of the Administration, and I can certainly proclaim very honestly a sincere regard for his personality, but in a candid moment, I am bound to say that although the present Administration has been in power for eighteen months I do not know of any good that has come to any man, woman or child in Canada during that time, unless it be the benefit to a large number of civil servants who have been provided with their livings by the dismissal of others from office.

With regard to my hon. friend's remarks on this subject, I think he expressed too great surprise—if I rightly followed him—at the magnificent results of co-operation in banking. He told us that only honest men participate in this business, and that the first action of those undertaking the working of the system is to inquire with the utmost care as to whether those proposed to be admitted to membership are thoroughly honest and upright persons. It is evident that good financial and moral results are very likely to accrue amongst people of that description—the very basis upon which the movement is started ensures this condition. Of course, the power of benefiting humanity along this line of organized effort, if this care is always exercised, would clearly be limited by the number of honest and upright people there are in society, and I very much fear that there is considerable room for exclusion in the choice of the members who would be permitted to join such a society, even in so upright and honest a country as Canada. However, I merely desire to express my surprise at the remarks of the hon. gentleman in this regard, and, with that surprise, I am bound to express a doubt as to how far he will be enabled to extend the benefits of this system in Canada at the present juncture in her history.

I am not sure that there was not some false reasoning in what my hon. friend said on this subject. He seemed to attribute the good results of the system entirely to co-operation, but I think the good effects of the system result from the character of the people who are engaged in that system. There was another point in my hon. friend's remarks which I could not quite follow. He was careful to impress upon us very emphatically the fact that he had no objection to the middleman, and he went on to make what, to my mind, was a somewhat sweeping statement. So far as I was able to note his remarks, he said, 'Nevertheless, it is the duty of this Parliament to bring the consumer and the producer as nearly together as possible.' In my ordinary operations as a producer, I have no objection to following that course of action, and I think that if a producer can get the profits of the middleman as well as the original price of his own products, so much the better; but I never thought that in so disposing of my products I was very partial to the middleman. In

fact, I dismissed him from my consideration, and saw that he ceased to be a factor in my financial universe. If it be our duty to bring the consumer and the producer as nearly together as possible, and if it be true that the more we do this the more we benefit the general community, I should say that we are not very friendly to the middleman; and so I could not quite understand why the hon. gentleman was so anxious to say he had no objection to the middleman. I think if you entirely eliminate a man from the sphere of operations, you are objecting to him in a very practical manner. I very much doubt whether my hon. friend is right in his general opinion that the more we eliminate the middleman the more good we confer upon the general community. I am not now making any remarks that are calculated to help me with my producers, but I will have a chance to explain that to them when I go out among them. On private members' day we can discuss these questions in a philosophic spirit. For once, at any rate, I am a theorist, and I feel that I am in good company, for, as I have just pointed out, the hon. member for Portage la Prairie, in so far as he entertains a pious opinion, is a pure theorist. The hon. gentleman has sometimes chaffed me good naturedly for being a theorist, and I think I have now caught him in the same company.

I think that good arguments could have been advanced on the other side of the question, but in so far as my hon. friend's remarks are calculated to breed false hopes and discontent in the minds of the producers of the country, his arguments are not to be approved.

I, like my friend, have no objection to the middleman and I go further than that, it is only with the evolution of the complexities of modern society that the middleman has developed. In the elementary stage of society, when trade is hardly known in a country and when it is totally unknown between different countries of the earth, there is no middleman, but I submit to you in that stage of development you have not the highest good that comes to a community and you certainly have a very elementary condition in the production of the wealth. It is by a wider cooperation than that which my hon. friend discussed this afternoon that the wealth of nations is produced. It is trading that produces the wealth of nations and to trade in its widest development, whether within a country or between the various countries of the earth, the middleman is as absolutely a necessity as either the producer or the consumer. It is by this wider cooperation of all classes, bringing into the pool the varied faculties of all classes of men, that you produce the greatest wealth and the greatest good to the whole community and I would say in that connection that the poorest of the poor in a country that has reached the stage of civilization at which we have arrived in Canada to-day are better off than the richest of the rich in the earliest stage of society where no middleman exists at all. I commend that to my hon. friend and I think if he looks around it well he will see that with the strong protectionist bias which unfortunately he has in view he sometimes takes a false line in his thinking. I certainly cannot understand how he sets out with the statement that he has no obection to the middleman but nevertheless proceeds in his system of philosophy to eliminate him, to rub him off the slate altogether. I should certainly think that if anyone wanted to do that to me he had some objection to me somewhere in his make-up. You might just as well tell a man that you like him very well, but at the same time hound your dog on him. That would not be a good way of showing the liking you have for the middleman.

In regard to what the Government will do in this matter we shall, I suppose, hear presently from my hon. friend the Minister of Finance. I certainly think that my hon. friend from Portage has made out such a case, by the statistics he has given of the operation of this principle in other countries, that we have a right to expect that this shall not be a mere forensic exercise on the part of my hon. friend but that the Government will go on to show that this is not a process of dangling something before certain sections of the community, as cheap agricultural instruments were dangled before the farmers of the West prior to September 1911, never to be heard of since. I hope this is not a case of dangling something; I hope the minister will give us an assurance that the Government give these poor people, for whom my friend is the eloquent and able advocate, all the facilities they can for adopting this principle, for carrying it out and for getting any of those benefits that it contains and which have been so eloquently portrayed by my hon. friend.

Mr. F. R. LALOR (Haldimand): I desire to compliment the hon. member for Portage la Prairie on the able address he has given this afternoon. As others have already stated, the member for Portage la Prairie speaks on a subject only when he has prepared himself with great care, and I am sure that he deserves the thanks of the House for his able and careful address. But I must say I do not altogether agree with him in the argument he has used as applied to business and banking in Canada. I fear that in the discussion of the Bank Act and banking

questions before this House we perhaps sometimes have too many members with too strong and too radical ideas upon what the banks should do and upon banking conditions in Canada. I speak as a business man and as a manufacturer. I have always been a large borrower of money from the banks and have never reached that time when I was a money lender. I have always been in the position of being a money borrower and the only difficulty I have had has been in trying to borrow more than the banks would lend in order that I might expand and my business grow. I want to speak in complimentary terms of the banking system of Canada. It is probably to-day as fine and as good as can be found in any country of the world. I have heard men state to-day that the banking system of the United States was preferable to ours. I do not agree with that at all. I come from a border constituency where I know something of the banking in the United States and have had some experience. Our banking in Canada is upon a very much more liberal and more generous plane than that of the United States and while I must say I think that the banks do not pay enough interest on money, especially in times of stringency to depositors, in the United States they do not pay nearly as much as our banks do, they are not nearly as liberal with depositors as ours are. The banks in Canada have built up and made the great manufacturing and mercantile interests of this country and have done more to increase the business interests of Canada than any other influence. I do not think it is or should be the object of the Parliament of Canada to do anything that would tend to lessen the influence of the banks but rather to stimulate them and increase the good they are doing in this country, if it is possible to do so.

I do not know whether the House realizes to-day just the position we are in in Canada. We are face to face with one of the greatest money stringencies we have ever known. I believe to-day that the money stringency in Canada is as great as or greater than it was in 1907 when we passed through such a crisis and the conditions to-day are different to what they were then. In the United States in 1907 they had a much greater stringency than we had, conditions were more acute than in Canada, and we complimented ourselves in Canada that they were in so much better position than they were across the border. But that is not the case to-day. Unfortunately in Canada to-day the money situation is worse than in the United States. Money is much easier over there than it is here and, so far as I am able to judge, and from what I can collect in the way of information from banking sources, I think the situation in Canada to-day is alarming for business men, manufacturers and farmers alike who want to borrow money. It is not up to us to-day to pass radical measures in this House that will hamper and do harm to the great business interests of this country. I think it is not the proper time to take up measures of this kind that may tend to do us harm in the future.

Our friends in the West talk about the farmers there not being able to borrow money. My experience with banks has been that the farmer who wants to borrow $100 or a small amount, whatever it may be, from a local bank, is able to obtain it from the bank if he has good credit and good character behind him, and so far as the West is concerned, in respect to the money the farmers want to borrow, I believe that a very large amount of money is sent from eastern Canada to the West in order to help them out there with their financial troubles. I would not be surprised if more money goes West to assist the farmers in the way of banking and money borrowing, than comes from the West to the East to assist us in eastern Canada.

So far as concerns co-operation in small banking concerns, such as my hon. friend from Portage la Prairie suggests, I am not able to say that that is going to be of any great advantage to us. I cannot understand how local people can start a very small bank with $5 subscriptions, such as my hon. friend speaks of, and raise enough money to do very much in the way of relieving the situation in respect to money borrowing in that particular locality. My experience is that local money lenders who have money to lend to people by note for small amounts are not philanthropists by any means, or men who are anxious to lend that money out at a very low rate of interest, in order to relieve the people who desire to borrow. On the contrary, they are generally people who want a higher rate of interest. Judging from my experience in my own locality I cannot see how any relief could be granted in that way that would assist the farmers to any great extent. I believe that to-day we have the best banking system in the world. The banks of Canada are generous in lending money, and I believe they do everything possible to encourage and assist the manufacturer, the merchant and the farmer, in all sections of this country. It is a system of which we may well feel proud, and in place of having radical ideas of banking, and of surrounding the banks with conditions and circumstances that would make it harder for people to borrow money, we should be generous in our legislation, but at the same time we should use care to

see that the public interests are safeguarded. To-day when money is so scarce, and conditions are so severe, we should move with very great care in the matter of banking and banking legislation.

Mr. DONALD SUTHERLAND (South Oxford): It was not my intention to make any remarks in connection with the resolution now before the House, but in view of some statements that have been made by the last speaker, I do not think we should allow the discussion to drop at this stage. I feel that we owe a debt of gratitude to the mover of this resolution for dealing with the matter so fully as he did. He showed that he had studied the question more thoroughly possibly than most of us. I have followed carefully for a few years the system that has been adopted in the European countries, particularly with regard to co-operation, not only in banking but also among the agricultural people of those countries, and the success that has resulted from that system is such, I think, as to justify careful consideration of the resolution that is now before the House.

I was somewhat surprised at some of the remarks that fell from the lips of the last speaker. He said that this was not the proper time to introduce radical legislation with regard to our banking system, and that our banking system had built up the great manufacturing and merchantile industries of Canada. Well, Mr. Speaker, I think it is quite apparent to every one in this country that there is something radically wrong in connection with our basic industry, agriculture. If there is any one thing more than another upon which Canada depends it is upon agriculture. No country has ever been more richly endowed from an agricultural standpoint, and yet the great difficulty that confronts not only the Dominion but the various provinces, is getting the people on the land or to prevent them from flocking into the industrial centres. Notwithstanding the satisfactory prices that they are obtaining for their produce to-day, I believe that those engaged in agriculture are hampered to a greater extent in carrying on their operations than at any previous stage of their existence. I believe that the co-operative system which has been adopted in Germany, in France, in Belgium, and in Denmark, is one that is bound to come into effect in this country and that it is going to overcome the difficulties we have now to contend with. I would not like to suggest what ought to be done with our banking system; I would not like to say that it is the duty of the Government to do a great deal towards inaugurating co-operation in banking. I believe that should originate and will originate among the people themselves. I do not believe that it comes within the province of a Government to do those things, but when any hon. member of this House says anything that will discourage co-operation in banking or in the marketing of agricultural products in this country he says what is not in the interests of our country nor yet the producers or consumers. When you look around to-day you find, as has been pointed out by the hon. member for Portage la Prairie, that our branch banking system is draining to the very dregs, one might say, the products of our country. The wealth of our country is being centralized; it is being drawn into the large centres of industry, and it is not being invested there to promote or to carry on agriculture. Go to any of the large cities, or even to the small towns of western Canada, or take any of the cities in the province of Ontario with a population of 100,000 or more, and you will find that one hundred feet of land in those cities or outside of them will realize as much money as one hundred acres situated conveniently to shipping facilities in old Ontario, and possessing it may be, $5,000 worth of buildings. You will find one hundred feet of land that is non-productive in a city or adjacent to a city, commanding as great a price as the one hundred acres of rich agricultural land with $5,000 worth of buildings upon it. For any one to say that there is not something radically wrong is to say something that is not in accordance with the facts I hope that this matter will receive the attention of the Government and the serious consideration of the Minister of Finance, and that some measure will be evolved that will assist the farmers of this country to co-operate not only in the carrying on of their business but in getting the money that they are producing circulated for the advancement of agriculture. Anyone who knows anything about agriculture, for instance in the province from which I come, must realize that the lands now under cultivation ought to and perhaps would double what they are producing if conditions were what we would like to see them. I know that many people will say this is a fad, and that it is radical legislation; but we must look at conditions as they are, and I quite agree with the hon. member for Portage la Prairie that the branch banking system is a detriment to our country, that it is drawing to the large industrial centres the wealth of our country, and that instead of assisting agriculture it is handicapping it in such a way as to result in great injury not only to the people living in those industrial centres, but also to those engaged in agriculture. Why is it that in this great province of Ontario we find that the agricultural population is declining from year to year notwithstanding the immense area of rich agricultural land which we have in the

province? We find that there are about 120,000 less people on the land to-day than there were fifteen years ago. In the old settled counties the decrease has been in a much greater proportion, because in many of the newer districts, they have had an increase in population during that time. This is one of the most serious questions that this country has to face and I hope it will receive the careful consideration of this House. I have no doubt that the resolution that has been moved will result in good. I would not have spoken upon this question had it not been for some of the remarks which were made in opposition to the motion before the House.

Hon. W. T. WHITE (Minister of Finance): Mr. Speaker, I desire not only to congratulate but, if I may do so, to compliment my hon. friend from Portage la Prairie (Mr. Meighen) for the very admirable and, indeed, fascinating manner in which he has presented this important subject to the attention of the House. This resolution requests that the matter should receive the early attention of the Government. I may say that, not only is the Government prepared to accept the resolution and to give the matter its early and careful attention, but that this question is one which has already engaged my attention. I have done a considerable amount of reading in reference to it, not so much, I think, as my hon. friend from whom I have derived, in common with other members of the House, to-day, a great deal of useful information.

The principle of co-operation has achieved great triumphs in Europe; there is no question about that. This is the case not only with regard to the credit organizations and the landschaften banks, to which my hon. friend has specially alluded, but also in connection with the buying and selling of commodities by farmers. For example, the farmers in Germany, France and other parts of Europe, will co-operate jointly in buying their supplies, fertilizers, agricultural implements, the principle being that they buy to better advantage if they buy in large amounts. They also co-operate in selling, they form co-operative societies and they engage managers who are experts. It is the business of these managers or experts to advise the farmers as to the best time for marketing their produce and in that way the farmer derives benefit from the expert knowledge of the manager of the association. Farming in Europe, as in this country, has become very much more of a business than it used to be, and it is necessary not only that the farmer should produce but that he should know the methods that will give the best results in his agricultural operations and that he should be able to dispose of his product to the best possible advantage.

I think we should not lose sight, however, of the fact that co-operation, as it is known in Europe to-day, is, like all other institutions useful to mankind, the product of gradual growth. It really sprang from the necessities of the people in Europe. There the farmers were to a very large extent the victims of usurers and in the marketing of their produce they were at a great disadvantage by reason of the interposition of so many middlemen. The co-operative system has been devised and perfected from time to time with the view of giving the farmers money for productive purposes at a low rate of interest, for enabling the farmers to organize their credit, to use the technical term, and to market their products to the best advantage. In reality it is the principle of the division of labour and of co-operation. The results, as pointed out by my hon. friend from Portage la Prairie, have been exceedingly striking. The credit society, or the credit association, or the credit bank, is based largely upon the principle that joint credit is much more efficacious than individual credit. A number of farmers who know each other, who are confident of the trustworthiness of each other, who are desirous of furthering the interests of the community, get together and form a credit association. That could only be done in a community in which there is a fixity of conditions, in which the people know and trust each other, because, of course, one man will not be willing to pledge his credit, even jointly with another, unless he knows and can trust the other; nor will men be willing to loan money to the individual members of the association unless they have confidence in the integrity of the member to whom the money is to be loaned. But given a community in which there is a fixity and stability of conditions, an old settled community, in which, let us say, land values are fairly stable and in which the people know each other and know that a man is not going to depart from the district overnight, we can realize how easy it is to form these credit associations, the principle of which is the value of joint credit.

As pointed out by my hon. friend from Portage la Prairie, the members may contribute a small sum or fee, or in some cases, they may become members without the payment of a fee. The society, when formed, borrows money either by way of deposits from its members or from the public and loans that money in the manner which he has indicated to the members of the society. But it must be borne in mind that a loan is only made for a productive or provident purpose; it would not be made for an extravagant purpose. The idea is that the man who is preparing certain of his produce for market may obtain a loan in order to have the necessary capital

to prepare his produce. A man may desire to drain or otherwise improve his farm and the money is loaned to him for that purpose. The expenditure is always productive or at least provident. Under the conditions I have mentioned and with the members of the community having perfect confidence in each other, and carrying on business for the mutual advantage of the members, one can quite realize how advantageous this is not only to the community but, when multiplied by the number of societies that my hon friend has mentioned, one can understand how valuable it is to the nation.

But we must bear in mind that certain conditions are essential to the success of a credit association. As to the landschaften banks, in this country funds are loaned to farmers and to others by way of mortgage. The average mortgage is for five years. Sometimes there is a provision made for a small annual payment on account of principal but generally speaking, the entire loan matures at the end of five years with a rate of interest payable in the meantime. Rates of interest vary in different parts of the country and for reasons which I think will be within the knowledge of the House. My hon. friend (Mr. Buchanan) said that lenders did not so readily lend their money in a remote community, and that is obvious. I remember some years ago, when I had a good deal of money to loan, I used to recommend the lenders to loan it in the West where the rates were considerably higher than in the East and where in my judgment the security upon farm lands was adequate. But, I found they would rather accept five or five and a half per cent in Ontario than eight or nine per cent in the West, not because the security in the West was not as good as in the East, but because they were not so well acquainted with the conditions as they were with those which prevailed nearer home. It must be remembered that Germany and France have vast accumulations of capital and are lending communities, whilst speaking generally, Canada is a borrowing community. Where these co-operating societies flourish on the continent of Europe, there is capital readily available to take up the debentures of the landschaften companies, because the investors know the value of the land. It occurred to me when I read the message sent by the President of the United States to the governors of the different states in regard to this matter, that it would not be as easy as the president thought to obtain the money for land mortgage societies or banks loaning upon land in Texas or the western States, as it would be for the landschaften banks to obtain money in Germany or France where the value of the land was known and where they had confidence in the security. Of course, if the securities of the societies organized in the United States were to be sold abroad, the investors would have to be satisfied as to the land values in these remote districts. It is no doubt on account of considerations of that kind that my hon. friend (Mr. Meighen) intimated that at present it might be premature to consider the incorporation of institutions analogous to the landschaften banks. As to the credit associations, they have been brought to the attention of Parliament for some years, and they have had a very considerable degree of success in the province of Quebec. Where you get a community fairly densely populated and where the need exists, these banks ought to be successful. But the success of these institutions and their development in European countries is due to the need which existed: usurious interest, and the necessity of improving worn-out and impoverished soil. Where you have in Canada populous communities needing the money for improving land, or for other productive purposes in connection with agriculture, I see no reason why these credit banks should not succeed. Whether they would be successful in districts sparsely populated and in which the residents do not know each other, is a question that would have to be carefully considered, and that of course would develop in the working out of the system. I appreciate the desirability of a uniform system brought about by general legislation which would enable these credit associations to incorporate subject to the same general regulations and by-laws throughout the country. I believe that, not only for the reason given by my hon friend (Mr. Meighen) that a citizen coming from one province to another should find the same conditions prevailing, but also because of the fact that it is necessary for the successful operation of the credit associations on a large scale, that there should be central institutions which become their bankers. Germany has a population of over eighty millions, and yet the area of Germany is not as great as the area of Saskatchewan or Alberta, which brings us to a realization of the size of Canada. Although the provinces have jurisdiction, it might be well to consider the question of a general Dominion Act, with the necessary safeguards, under which this system might be given a trial. I have given the matter some attention already. I shall be very glad—I may say the Government will be very glad—to give the matter careful study; to take into consideration all that has been stated here to-day, and to inform ourselves with a view of seeing whether a uniform system, such as my hon. friend (Mr. Meighen) has referred to, would be feasible for the whole country. The average mortgage loan in Canada is for five years with interest in the

interim at a stipulated rate, and my hon. friend (Mr. Meighen) has quite properly called attention to one prominent feature of the landschaften system, under which amortization takes place so that the farmer is paying not only his interest but at the same time a portion of the principle each year over a period of years, until the principal is all paid back. I should think, although I am not quite positive as to it, that they are enabled to do that in Europe by reason of the fact that there these institutions sell their debentures running over long periods. The average debenture of the loan companies in Canada is for five years, and while loan companies frequently make loans at ten years, especially if the rate of interest is good, the system of a mortgage running thirty or forty years, during which provision is made in the annual payment for the extinguishment of the principal as well as the interest, has not been adopted here. I hardly think that system is likely to be generally adopted by the loan companies, trust companies and insurance companies that do business in the West. I was much surprised to hear the figures given by my hon. friend as to the amount loaned on mortgages in Canada. I think he stated it at $750,000,000; I should not have thought that it was so large. I looked into the question not very long ago for my own satisfaction and found from the returns, which I think are not very full, that some $200,000,000 was loaned by life insurance companies, loan companies and trust companies in the three prairie provinces. The hon. member for Medicine Hat (Mr. Buchanan) raised the very interesting question whether the Federal Government could make loans to farmers. Of course, that is a very wide question indeed. The amount mentioned by my hon. friend as representing the entire amount of loans to farmers in Canada is so very large—two and a half times the national debt—and the requirements of the country so very great, with our large public works that must receive continually increasing expenditure, that I think my hon. friend will realize that there would be a great difficulty in the way of carrying out his suggestion. For it must always be borne in mind that any legislation of that kind would have to be general in its character, that particular communities or individuals could not be favoured. Altogether, while I was glad to hear from him with regard to the matter, I am afraid I could not hold out any hopes of the Government engaging in the business of making loans, by way of mortgage or otherwise to individuals.

Something has been said with regard to the branch bank system of Canada and the unit system of the United States. I shall not deal with that at length. No doubt, something can be said for both systems. But I believe that both in Canada and in the United States the branch bank system is favoured as superior to the unit system. In periods of stringency the unit system experiences tight money conditions just the same as the branch bank system. But I believe that the system in the United States has been that in such periods—as in 1907 and 1893—the unit system is less able to withstand the money conditions that prevail than is the branch bank system. The merit claimed for our system has been adverted to in the House. Under that system the money is gathered from various sections of the community, and is available for use in such sections as need it. Take, for instance, the fall of the year and the moving the crop in the West,—there is no doubt that immense sums flow from the eastern part of Canada to the western part for the purpose of moving the western crops. In my inquiry last fall in connection with the question of the advisability of giving the western farmer the privilege of borrowing against grain, I ascertained that in the case of two banks alone no less a sum than $50,000,000 was loaned to farmers in the West in sums varying from $25 to $30 to $20,000 or $30,000. I have no estimate—nor do I believe such an estimate is available—of the amount of money loaned by all the chartered banks in the West, but I believe that the total sum loaned in the fall would run into very large figures indeed. It has been brought to my attention this afternoon by communication from one of the largest of our banks to one of the members of the House that the deposits of that particular bank in the West are just half the money they have loaned in the West. So, I hardly think it is fair to the existing situation—and I am sure we all wish to be fair—to say that the money is deliberately taken away from any particular section of the country and thrown into other sections. There is, of course, a flow of bank money going on continuously throughout Canada; it flows West to move the crop, and flows East again for the purposes of commerce. It is a fact that, especially in the stringent money conditions that have prevailed during the past year or more—and especially in periods when money is tight—that all sections of the community suffer from lack of bank accommodation. It is also true that some sections suffer very much more than others. But I do not believe you can make a sweeping general statement either way. I think possibly there is something in what has been said, that the remoter districts suffer more than those that are more central. But it is an undoubted fact that if, at times, no money is available for loan-

ing to farmers also, at times, there is very severe curtailment of business credit, as stated by my hon. friend from Kingston. In other words, what I think happens from time to time is this: Let money stringency, which is generally world-wide, exist, as at the present time, and there is a curtailment of credit all around, and all classes of the community feel it. No doubt, there are many distressing cases. But the cause of it, I think, is that, with the enormous expansion and development that we have had in this country of recent years, our credit and the money available to carry on the business of the country has had a very severe strain put upon it. Many causes enter as factors into tight-money conditions. It has even been stated that the high cost of living is one of the factors. Good times, the demand for money all over the world is another great factor. There is still another factor which I have never heard urged in this House, but which in my judgment, has played a very great part indeed in causing the high rates of interest that have prevailed generally for the last ten years, and that is the enormous aggregate expenditure made by nations at war. I do not believe that we realize what a factor this is in the situation. Looking back over the past twelve years or more, we find, first the Spanish-American war, the Boer war, the Russo-Japan war, the Turko-Italian war, and now the Balkan war. So we see that there has been a series of wars in which an enormous amount of money has been expended unproductively, and of that money the commerce of the world has been deprived.

I must apologize to the House for speaking under such disadvantages with regard to my voice. I should have remained at home, but on account of the interest I have in the subject, and as it was more particularly in my department, I desired to put in an appearance and deal with it, if only briefly.

Mr. MEIGHEN: With your kind indulgence, Mr. Speaker, I feel it my duty to offer a word or two by way of reply. I have to thank the Minister of Finance for his very indulgent treatment of my remarks, and I have only one or two statements to make with reference to what he said as to my remark that the mortgage loans of Canada to farmers would amount to $750,000,000. I think he has misapprehended my statement, as what I intended to say was that the borrowed capital of the farmers of Canada could be safely estimated at $750,000,000. I took the $6,000,000,000 estimated by the Monetary Commission as the borrowed capital of the farmers of the United States, comparing the larger proportion of farmers in Canada to those in the United States, I thought that one-eighth of that would fairly estimate the borrowed capital of the farmers of Canada.

The hon. member for Oxford (Mr. Sutherland) interpreted my speech as an attack on the branch bank system. I made no such attack, and I stated clearly that I thought it an admirable system in many ways, but that it was in sad need of complement in the way of co-operative banks.

I appreciate the honesty and sincerity of the convictions of the hon. member for Haldimand (Mr. Lalor) as to the merits of our present system, but I think he also misapprehended what I was urging upon the House. Surely it cannot be said, at this stage in the world's history, that co-operative banking is a radical innovation! Surely it cannot be said that it has no purpose to serve, when it has already served a purpose compared with which very few of the movements of the world can present so great results. As to whether it will be of any benefit in borrowing communities as against loaning communities, this, at any rate, can be said: it will retain in the borrowing community a reasonable amount of the savings of that community, whereas under present conditions the funds are capable of being moved to other and more distant centres.

I was particularly interested in the remarks of the hon. member for Red Deer. (Mr. Clark) and would thank him for his very kind references to myself. He thinks however, that, under the cover of one sentence, I have made an attack on the middleman, and endeavoured to entirely eliminate him and wipe him off the earth. I said I had no quarrel with the middleman, and that so long as certain trade operations demanded his services, his functions in the world was as much to be respected as that of any other man. I did say that there existed a necessity for bringing the producer and the consumer as closely together as possible, for by doing so it is clear that in so far as you liberate the middleman from his office you add him to the producing community, and contribute to the wealth of that community. There was no intention on my part of attacking the middleman in any way, and certainly, with the progress of civilization, he has a function to perform. I think the House will observe in the speech of the hon. member for Red Deer a very strange inconsistency. He concluded by enthusiastically supporting the co-operative bank system, whereas one of the main purposes of co-operative banks is to eliminate the middleman in banking. When he supports this resolution, he is dealing just as deadly a blow at the middleman as I could possibly do. It is the unnecessary middleman that should be eliminated, not the necessary one. As to the reference of the hon. gentleman to my

influence with the Government in reducing protection, I may say that I have never pretended to be other than an advocate of moderate protection in this country, and I believe that a system of moderate protection requires adjustment in individual instances, as conditions demand. This principle, which I advocated two years ago, I adhere to still, and the hon. member for Red Deer may be assured that my influence with the Government will be directed towards securing the adoption of that principle. I have witnessed with pleasure the fact that the Government has lent a very ready ear to the call of the people for a reduction of the duty when it is in the interests of the public, and I earnestly hope that the Minister of Finance, when at any future time he hears the same call, will keep in mind what happened in respect to the reduction of duty on cement, and will not be deterred in his duty through apprehension of resistance from the leader of the Opposition.

Sir WILFRID LAURIER: I want it permanent, not spasmodic.

Mr. MEIGHEN: I sat under the Liberal Government in this House with the hon. member for Red Deer, an ardent free trader, for three years. I witnessed the exertions he made on the Government of the day in bringing about his ambitions. Now I have certain hopes that do amount to a little but the least the most modest hope I have is that my influence with the present Government will not be less than his was with the last.

Motion agreed to.

UNOPPOSED AND UNDISCUSSED MOTIONS.

For a copy of all letters, telegrams, papers and documents relative to the dismissal of Mrs. Weave, postmistress at Coal Creek, Queens county, N.B., and of the appointment of Michael L. Knox.—Mr. McLean (Queens).

For a copy of all letters, telegrams and other documents with respect to the north half of the southwest quarter of section eight (8), township forty-nine (49), range twenty-six (26), west of the second meridian, province of Saskatchewan, and the granting of a homestead entry for the said land to one Arthur Donaldson.—Mr. Martin (Regina).

For a copy of all papers, reports and other documents relating to the delay of the Indian Department in issuing patents for lands purchased from the St. Peters band of Indians, and forming part of the St. Peters Indian reserve, Manitoba.—Mr. Oliver.

For a copy of all letters, reports and other documents received by the Minister of Labour regarding labour conditions on the Grand Trunk Pacific between Tête Jaune Cache and Fort George.—Mr. Oliver.

For a copy of all correspondence, letters, telegrams, reports and other papers on file in the Department of Railways and Canals, or in the offices of the Intercolonial railway at Moncton, relating to M. L. Tracy, an employee of the mechanical department of the Intercolonial during the years 1899 and 1900, and of all letters and correspondence relating to the case of the said M. L. Tracy, passing between the then Minister of Railways and Canals and any of the officials of the railway, during those years; also a copy of the letters of D. Pottinger, then general manager, the late James E. Price, then general superintendent, and the late M. Jarvis, then a divisional superintendent of said railway, relating to the same subject during the said period of 1899 and 1900.—Mr. Emmerson.

For a copy of all letters, correspondence, petitions and other documents, on file in the Department of Railways and Canals, or in the offices of the Intercolonial railway at Moncton, relating or in any way appertaining to the new public wharf at Sackville, N.B., and the necessity of establishing in the interests of the traffic of the Intercolonial railway, and of the shipping and trade facilities of Sackville, and of the commerce of communities adjacent thereto, rail connections between the said wharf and the main line of the said railways at Sackville station; also of all letters and other communications received by the chairman or vice-chairman of the Government Railways Managing Board, or by any official of the said railway, relating in any manner to the said subject, received by them or any of them during the years 1911, 1912 and 1913.—Mr. Emmerson.

For a return showing all school lands sold in the province of Saskatchewan in 1912, giving each parcel of land sold, the name and address of each purchaser, the date and place of sale, the name of the auctioneer at each sale, and any assignments of contracts of purchase of which the Government has notice, and a copy of all correspondence passing between the Government, or any member thereof, and the Government of the province of Saskatchewan, or any member thereof, with respect to the sale of school lands in the said province.—Mr. Martin (Regina).

House adjourned at 6.10 o'clock.

HOUSE OF COMMONS.

THURSDAY, February 13, 1913.

The SPEAKER took the Chair at Three o'clock.

BILL WITHDRAWN.

Bill No. 52, to incorporate the Bankers Trust Company.—Mr. Ames.

FIRST READINGS.

Bill No. 108, respecting the Manufacture, Marketing, and Sale of Articles composed of Gold or Silver, and of Gold-plated or Silver-plated Ware.—Mr. Borden.

Bill No. 116, respecting the Pollution of Navigable Waters.—Mr. Kyte.

QUESTIONS.

(Questions answered orally are indicated by an asterisk.)

MILITIA DEPARTMENT CAR.

*Mr. LEMIEUX:

1. What is the amount paid by the Department of Militia and Defence for the electrical fixtures of a private car?
2. By whom was the said private car purchased?
3. For what purpose and where?

Mr. HUGHES (Minister of Militia and Defence):

1. $2,125.81.
2. The Government, through the Minister of Militia and Defence.
3. For official use of members of the Government, from the Canadian Northern railway, for $9,792.28.

TRANSCONTINENTAL RAILWAY CONSTRUCTION.

Mr. LEMIEUX:

1. How many miles of railway were built by the Transcontinental Commission during the year 1912?
2. What length of railway has been built and completed by the commission aforesaid in Northern Ontario and Northern Quebec, respectively?

Mr. COCHRANE:

1. Track laid during 1912, 353 miles main line, and 93 miles sidings and yards, approximately.
2. Approximate length of railway built in Northern Quebec to December 31, 1912, equals 433 miles, and in Northern Ontario, 698 miles; but of the above the number of miles completed cannot be definitely given as the final estimates have not been returned.

INTERCOLONIAL RAILWAY—HAY TRANSPORTATION.

*Mr. CHISHOLM (Antigonish):

1. Referring to a telegram purporting to have been received by one C. Edgar Whidden from one of the hay dealers in Amherst, Cumberland county, during the recent by-election for the provincial legislature in Antigonish county, as follows:—

Amherst, N.S., January 13, 1913.

C. Edgar Whidden,
Antigonish.

Consignment of hay to you going forward at once, any other orders will be promptly attended to. You get hay free of freight charges for farmers only.

(Sgd.) Edgar Fillmore.

2. Was any arrangement made by the Department of Railways, or any of its officials, for free carriage of hay over the Intercolonial railway from Amherst to Antigonish, as stated in said telegram?
3. Has there been free or reduced transportation for carrying hay over any part of the Intercolonial, or any reduction or rebate made to shippers or purchasers of hay for Antigonish county since the beginning of the present year?

Mr. COCHRANE:

1 and 2. No.
3. No.

PORTSMOUTH PENITENTIARY.

*Mr. EDWARDS:

1. Have charges against D. O'Leary, deputy warden, and Doctor Phelan, surgeon of Portsmouth penitentiary, been submitted to the hon. the Minister of Justice? If so, when were such charges submitted, and what were the charges against each?
2. Has an investigation been asked for? If so, when?
3. Is it the intention of the Government to appoint a commission to investigate the aforesaid charges? If so, when?
4. Is it the intention of the Government to appoint a commission to investigate generally the administration of affairs in Portsmouth penitentiary? If so, when?

*Mr. DOHERTY:

1. A letter was received by the Minister of Justice about the 3rd of December last, containing charges against the persons mentioned. Pending investigation, it is not deemed desirable to publish the charges.

2. The said letter did not ask for an investigation as regards these charges, but requested serious consideration of them, as in the opinion of the writer warranting his asking for the removal from office of the said parties accused. The minister stated in reply that the charges appeared to call for enquiry and pointed out that it would appear proper that before appointing a commissioner to make such inquiry, the accusations, should be submitted to the parties accused, for the purpose of eliciting any reply they might desire to make, and that before communicating with the said parties accused, he desired to be informed whether the writer was willing that he should transmit them copy of his letter, or if he preferred that the accusation be communicated to them in some other form. To this a reply was received to the effect that the party making the charges quite agreed that copies of the accusations should be sent to the accused, but was not sure that it would be in the best interest of a fair investigation to do more than that, and that the commission of inquiry which the minister proposed to appoint would bring out the facts and that he was quite willing to go before that commission and restate what he had written. He further intimated that there were other officials whose conduct should be investigated, and expressed the hope that the commission would be given wide powers. This reply was dated December 6, 1912.

3 and 4. The Government has in contemplation the appointment of a commission to investigate generally the administration of the penitentiary, and this at the earliest moment at which such investigation can conveniently be made. An opportunity will thus be afforded the person accusing to bring forward the particular charges above referred to.

*Mr. EDWARDS:

1. When was Major W. S. Hughes first appointed as an official on the staff of Portsmouth penitentiary, what positions has he held there, and how long in each?
2. Has the said Major Hughes been recommended, either verbally or in writing, for the position of warden of Portsmouth penitentiary by twenty-five or thirty members of this House from Ontario, by eight or ten members of the Ontario legislature, by several Conservatives executives in the province of Ontario, by inspectors Douglas Stewart and George W. Dawson, or by the Deputy Minister of Justice?
3. Has the hon. the Minister of Justice received a paper favourable to Major Hughes, signed by a number of officials of said penitentiary? If so, what was the wording of such paper and by how many officials was it signed?
4. How many officials are on the staff of the said penitentiary?
5. Has the hon. the Minister of Justice received a paper favourable to Major Hughes from ex-officials of said penitentiary? If so, how was it worded by how many signed, and how many of the signers were Protestants, and how many Roman Catholics?

Mr. DOHERTY:

1. January 13, 1893. Warden's clerk, one year; warden's clerk and clerk of industries, two years; chief keeper and clerk of industries, seven years; accountant and clerk of industries, ten years.
2, 3, and 5. Recommendations from different sources have been received in favour of Major W. S. Hughes, as well as of other persons. It is neither usual nor desirable to make public such recommendations, more particularly before any appointment has been made to the position in question.
4. Total number of officials, 94.

Mr. EDWARDS: I did not catch any answer to the third question. I do not see any reason why I should not have that information. I am not asking for the names of any officials; I am merely asking for the number. I did not hear that I got any answer to No. 5 either.

Mr. SPEAKER: Question No. 7.

Mr. EDWARDS: Mr. Speaker—

Some hon. MEMBERS: Order, order.

Mr. EDWARDS: I rise to a question of privilege, then. If members are privileged to ask questions they are privileged to get answers, and I do not see any reason why I should not get an answer. I want to know if I am going to have an answer or not.

Mr. SPEAKER: The rule is that the minister gives such answers as he thinks desirable, and no member is entitled to insist on anything beyond that.

GATROS WHARF.

*Mr. EMMERSON:

1. Is the Government aware that just previous to the holding of the provincial general election in the province of New Brunswick in June last, that a number of men were said to be engaged and employed in building a side bed to the Dominion Government wharf at Gatros village, county of Westmorland, New Brunswick, and that an expenditure of about two hundred dollars was made in the construction of said side bed for said wharf, and that the work was undertaken under the direction and instruction of Mr. James P. Sherry, of Memramcook, N.B., who, as alleged, authorized the same and instructed the employment of the men engaged on the work?
2. Was the said work authorized by the Department of Public Works, or the Minister of Public Works, or by any officer of the department? If so, by whom?
3. Has the department paid out any sum or sums of money in connection with said works? If so, to whom and what amount?
4. Is the Government, or the Department of Public Works, or the minister thereof, aware that the workmen who were said to be employed or engaged in such work have never been paid therefor, and that not a cent has been received by them, as alleged?

Mr. COCHRANE:

1. Yes.
2. The chief engineer authorized the district engineer to expend $300.
3. No.
4. Vouchers and paylists were received to-day the 13th, for work done, amounting to $169.50

HOMESTEAD INSPECTORS.

Mr. MARTIN:

How many inspections were made by homestead inspectors Brandt, Balfour and Ouellette during the months of June and July, 1912?

Mr. ROCHE: Brandt, 8; Balfour, 21; Ouellette, 15.

CROSS ROADS, OHIO AND JAMES RIVER MAIL SERVICE.

Mr. CHISHOLM (Antigonish):

1. Who is the contractor for carrying the mail between Cross Roads, Ohio and James River station, Antigonish county?
2. When was the contract awarded to him, and at what figure?
3. Were tenders called for the service before the contract was entered into? If so, who were the tenderers and at what figures, respectively?

4. Were any complaints made against the late contractor? If so, what were they, and by whom made?

Mr. PELLETIER: This contract not being yet completed, it is not deemed advisable to give particulars now. They will be given as soon as the matter is closed.

PRINCE EDWARD ISLAND CAR FERRY.

Mr. HUGHES (Kings):

1. What will be the nominal and indicated horse-power of the steamer now being built in the Old Country for the proposed car ferry service between Prince Edward Island and the mainland, and what is the meaning of the word collectively, used in the answer to this question on page 2800 of 'Hansard' of the 6th instant?

2. What will the said steamer cost when completed and ready for service, this part of the answer to this question being omitted in the answer given on the 6th instant?

Mr. COCHRANE:

1. 7,000 indicated horse-power. This car ferry, being designed for use under the worst possible ice conditions to be met with in the Straits, is provided with the above mentioned high power to cope with these conditions. Under less trying conditions and in open water much less power is required. To meet these varying conditions the power is derived from three sets of engines furnished with steam from six boilers.

2. The amount of the accepted tender is £138,000. Certain changes, however, are considered desirable by the department and this may somewhat increase the cost over that amount.

NEW CHESTER POSTMASTER.

Mr. SINCLAIR:

1. Who is the postmaster at New Chester, Guysborough county, Nova Scotia?
2. When was he appointed?
3. Was the former postmaster James Bezanson dismissed?
4. If so, for what cause and on whose complaint?
5. Was there an investigation?
6. If so, what expense was incurred in the investigation?

Mr. PELLETIER:

1. Nathan Bezanson.
2. On the 1st November, 1912.
3, 4, 5 and 6. The former postmaster was not dismissed. He tendered his resignation.

DISMISSALS.

Mr. RICHARDS:

1. Was Joseph J. D. Gallant, lighthouse keeper at Cape Egmont, Prince county, P.E.I., dismissed from office? If so, for what cause?
2. Was a charge laid against him? If so, by whom?
3. Was an investigation of such charges held?
4. If so, is the evidence in the Department of Marine and Fisheries?
5. Is the evidence open to the inspection of members of this House.
6. Who was appointed to the position?

Mr. CHISHOLM (Antigonish).

Mr. HAZEN:

1. (a) Yes. (b) Political partisanship.
2. (a) Yes. (b) Dr. P. C. Murphy, Hon. A. E. Arsenault.
3. No.
4. See answer to No. 3.
5. See answer to No. 3.
6. Mr. Emmanuel J. Arsenault.

Mr. RICHARDS:

1. Was James Phee dismissed from the office of lighthouse keeper at North Cape, Prince county, P.E.I. ? If so, for what reasons?
2. Was a charge laid against him? If so, by whom?
3. Was an investigation of the charges held?
4. If so, is the evidence in the Department of Marine and Fisheries?
5. Is the evidence open to the inspection of the members of this House?
6. Who was appointed to the position?

Mr. HAZEN:

1. (a) Yes; (b) Political partisanship.
2. (a) Yes; (b) Dr. P. C. Murphy.
3. Yes.
4. Yes.
5. The evidence will be produced on Order of the House.
6. Mr. Dugald P. McCarthy.

Mr. RICHARDS:

1. Was the lighthouse keeper at Tignish River, Prince county, P.E.I., dismissed from office? If so, for what cause?
2. Was a charge laid against him? If so, by whom?
3. Was an investigation of such charges held?
4. If so, is the evidence in the Department of Marine and Fisheries?
5. Is the evidence open for the inspection of the members of this House?
6. Who was appointed to the position?

Mr. HAZEN:

1. (a) Yes; (b) Political partisanship.
2. (a) Yes; (b) Dr. P. C. Murphy.
3. Yes.
4. Yes.
5. The evidence will be produced on Order of the House.
6. Mr. Donald Handrahan.

BUSINESS OF THE HOUSE.

Mr. BORDEN moved:

That on Monday, the 17th February, and on Wednesday, the 19th February, instant, and on all succeeding Mondays and Wednesdays until the end of the session, Government notices and orders shall have precedence immediately after questions and notices of motion for the production of papers.

Sir WILFRID LAURIER : I am prepared to admit that the time has come when we may fairly consider that Wednesdays should be taken for government business, but I would submit to my right hon. friend that, with regard to Mondays, the motion seems to be altogether premature. By a rule of the House, government measures have precedence on two days in the week, Tuesdays and Fridays, for the first four weeks, and, after the first four weeks, on Thursdays also. At the present time Government orders have precedence on Tuesdays, Thursdays and Fridays; private members' business on Mondays and Wednesdays. The period has about come, I admit, when it is usual to take Wednesdays for the Government. There is no rule upon this question; but it has been the custom almost as old as Confederation itself, that when Parliament has been in session a couple of months, government business shall take precedence on Wednesdays. I would observe, to my right hon. friend, however, that this year the Order Paper is unusually charged; there are still forty-five notices of motion to be disposed of, some of very great importance. The whole of Monday was given up to a discussion of the private Bill of the Richelieu and Ontario Navigation Company, and the whole of yesterday was taken up by a discussion upon a very important matter. If my right hon. friend were to take Wednesdays and Mondays, private members would be deprived altogether of the opportunity of discussing other matters which, in our judgment are of at least equal importance. Upon this side of the House we are not many, we cannot do very much with our votes, but we think we can do something with our speeches and discussion. It is only fair that we should be given some opportunity of presenting our views to the people in the only way which is left open to us. There is another consideration. I think public Bills and orders have been called only once and that just previous to the Christmas recess, when comparatively very few members were present. My hon. friend from Selkirk (Mr. Bradbury) has on the paper a Bill with respect to the pollution of rivers, which under present conditions is of the greatest importance, as everybody in Ottawa will realize. I think a day should be given for going over the Order Paper, so that we can have at least some of these matters taken up. I would suggest that my right hon. friend do not take next Monday and that he give at least one more Wednesday to private members.

Mr. BORDEN: My right hon. friend will admit that we have been most considerate to hon. gentlemen on the other side, when we have allowed them the whole of the past ten days for a presentation of their views on the very important matter which has been before the House. More considerate conduct could not be imagined, although I am bound to say we are receiving very little thanks for it. My right hon. friend says that the Order Paper has been very greatly charged during the present session, but he must remember that it has also been very greatly discharged. I find that four hundred and twenty-five questions have been answered and five hundred and sixty-two motions by private members adopted, and I do not think the record of any Parliament, since I have been in public life, equals that.

Sir WILFRID LAURIER: There never was such a lively Opposition.

Some hon. MEMBERS: Hear, hear.

Mr. BORDEN: I must confess that I have not been very much impressed with their liveliness up to the present, although, as we like to see the business of the House carried on after a more or less animated fashion, liveliness on the part of the Opposition is not at all objectionable to us. My right hon. friend says there is no precedent for this proposal, but there is the best precedent in the world, in that, during the session of 1911, the right hon. gentleman himself took Mondays and Wednesdays at about this stage of the session. However, my right hon. friend was always very courteous to me in these matters, and, while I do not feel that I can accept all he has said, yet I would be willing to modify the motion so that private members shall have Monday next.

Sir WILFRID LAURIER: What about Wednesday?

Mr. BORDEN: I think we shall have to take Wednesday.

Sir WILFRID LAURIER: Might I appeal to my right hon. friend to leave Wednesday next for public Bills and orders?

Mr. BORDEN: I admit that the Bill of my hon. friend from Selkirk, with reference to the pollution of waters, is important, and I will either have it called and discussed, or I will make an announcement of action by the Government in respect to it in the near future. If there is any other public Bill which my right hon. friend considers of special importance, I shall be glad to discuss with him the propriety of taking similar action with regard to it.

Mr. EMMERSON: There are two resolutions on the Order Paper, the debate on which stands adjourned; one, adjourned at the personal request of the Postmaster General, to give the hon. member for the county of Kent, New Brunswick, (Mr. Robidoux) an opportunity of speaking with regard to it.

Mr. PELLETIER: I asked to have the debate adjourned in case the hon. member for Kent should wish to speak on it.

Mr. EMMERSON: I am solicitous that the hon. member for Kent should have an opportunity of being heard on that question. The other resolution is with respect to the acquisition by the Government of the branch lines of the Intercolonial railway. The Minister of Public Works, who was leading the House at the time, stated that the Prime Minister wanted to speak on that question, and had the debate adjourned for that purpose. The House and the country would like to hear the right hon. gentleman on that subject. Then, there is a motion of mine on the Order Paper relating to express rates, in which the people of the country are very deeply interested. I have been ready on several occasions to proceed with that motion, but was precluded on account of an argument made across the floor that other matters should have precedence. I have been seeking to get information with respect to the three Canadian express companies, as well as the American express companies operating in Canada, and the statistics with reference to them were only laid on the table and made available yesterday. This is a question of great public interest, non-party and non-partisan, and several members of the House on both sides have expressed to me a desire that they might have an opportunity of speaking on it.

Mr. KYTE: I wish to call the attention of the Minister of Railways and Canals to the adjourned debate on a motion made by me for some papers in connection with the expropriation of land for the St. Peter's canal. No purpose can be served by resuming the debate. Perhaps the hon. the Minister of Railways and Canals will be good enough to intimate that the papers will be brought down and the motion passed as a matter of course. There is another adjourned debate in regard to the dismissal of certain officials in the county of Richmond, Nova Scotia, and the release of a man named Landry, at present in jail. Perhaps some discussion might arise on that question, and I am not disposed to press it at the moment. I should like very much, however, if the hon. the Minister of Railways and Canals would state whether or not he will bring down the papers in regard to the St. Peter's canal.

Mr. BORDEN: My hon. friend from Westmorland will remember that I am proposing that next Monday remain as a private members' day, when there will be opportunity for debate on his motion.

Mr. EMMERSON: We would not likely reach public Bills and orders on Monday. That would afford me an opportunity to bring up a motion relating to express companies.

Mr. BORDEN: So far as the adjourned debates are concerned, I will see what can be done. I do not think there will be any difficulty about bringing down the papers. In regard to the proposed resolution regarding branch lines, and the expropriation papers in connection with the St. Peter's canal, I will speak to my hon. friend the Minister of Railways and Canals. As to the papers in regard to Mr. Landry, we desire to pursue the course which has been pursued in all similar cases by Ministers of Justice. My hon. friend the Minister of Justice desires to look into the practice pursued by Sir Allen Aylesworth, Sir Charles Fitzpatrick and previous Ministers of Justice. I can assure my hon. friend that there is no objection to bringing down the papers, except that which relates to considerations of public policy, and the practice which has been observed by all governments in this country. I have seen the papers and, from the standpoint of the Government, we would prefer to bring them down, if we would not be establishing a precedent which might be against public interest on some other occasion. My hon. friend may rest assured that the Minister of Justice and I shall be very glad to discuss with him what should be done in the matter, and to treat his application with every consideration that is possible in view of the practice which has prevailed in the past.

Sir WILFRID LAURIER: I would suggest to my hon. friend from Richmond (Mr. Kyte), and to my right hon. friend the Prime Minister, that it be left to the discretion of the Minister of Justice to decide whether he shall bring the papers down or not. He can do just as he thinks best.

Mr. BORDEN: I see no objection to that course.

Sir WILFRID LAURIER: As we are to have only one more Monday for private business, I should like to suggest to my right hon. friend that we might do, what we often have done in the past, take notices of motion and public Bills and orders in the evening.

Mr. BORDEN: I think that suggestion is very well worthy of consideration. I will speak to my hon. friend privately about the matter.

Motion, amended to take effect on the 24th of February instead of the 17th, agreed to.

INDUSTRIAL DISPUTES ACT.

Mr. LEMIEUX: I should like to ask the Minister of Labour if he will cause to be published in the Labour Gazette the report of Sir George Askwith, as to the working

of the Industrial Disputes Act, which I see by the newspapers, has been published in England.

Mr. CROTHERS: I have not seen the report yet; but, after seeing it, I will consider the matter.

INQUIRIES FOR RETURNS.

Mr. PARDEE: I should like to draw attention to the fact that on the 5th of February, 1912, I moved for the production of papers in regard to the Prince Edward Island car ferry, and they have not yet been brought down.

Mr. COCHRANE: So far as I am aware, the papers have all been brought down.

Mr. SINCLAIR: Before the Christmas recess, I drew the attention of the Government to the fact that a large number of orders for returns made during last session had not yet been complied with. On looking over the records I find that some forty-two orders have not been complied with, among them one for the production of papers relating to the Farmers' Bank, moved by the hon. member for Pictou (Mr. Macdonald), and one for the production of papers relating to the granting of fishery licenses in British Columbia, moved by myself on February 28, 1912. During the present session, I find that one hundred orders passed prior to the holidays, have not yet been complied with. I hope the Government will endeavour to give us some of this information with as little delay as possible.

Mr. BORDEN: I think there must be some mistake about the number of orders standing over from last session and not yet complied with. I will, however, make inquiries. My hon. friend the Minister of Railways and Canals informs me that he is under a very strong impression, although he cannot speak positively, that the papers with regard to the Farmers' Bank were brought down. We will make inquiries as to what the other orders are, and endeavour to see whether the papers cannot be brought down immediately. As far as the present session is concerned, if we have brought five hundred returns out of six hundred ordered, I should say that we have been doing remarkably well.

Mr. SINCLAIR: Some of the orders may have been duplicated during the present session; and perhaps the book is not properly kept; but I know that a number have not been complied with.

TECHNICAL INDUSTRIAL COMMISSION

Mr. VERVILLE: I should like to ask the Minister of Labour when we may expect the report of the Technical Industrial Commission?

Mr. CROTHERS: It was stated a few days ago that the report was expected early next month.

BARRY'S BAY DROWNING DISASTER.

Mr. GRAHAM: I would like to direct the attention of the Minister of Finance to a circumstance in connection with the appalling disaster which occurred on the Madawaska river, near Barry's Bay, on November 12, last, by which, through the sinking of the steamer Mayflower, nine persons lost their lives. A commissioner, Mr. R. A Pringle, K.C., of Cornwall, was appointed by the Department of Marine and Fisheries, and immdiately undertook an investigation with a view to ascertaining the cause of this disaster, and, if possible, fixing the blame. With the permission of the House, I desire to read a quotation from his report:

> Why was the Mayflower permitted to run and carry passengers from early in the season of 1912 until the night she sank, without authority? It was a matter of common knowledge throughout the country that she was running and carrying passengers. This question presents difficulties to my mind. The inspector of hulls, M. R. Davis, in his evidence, page 39, Q. 63., is asked: There was no certificate issued for 1912? No, sir. êQ. 64: Then as a matter of fact, he was contravening the law in operating his boat at all? A. Yes sir, and I warned him about that. Q. 65: And in carrying passengers? A. Yes, and I warned him of that, and he promised me he would stop carrying passengers. It also appears that M. R. Davis, Esq., wrote Hudson Bros., of Combermere, on the 10th of June, 1912, (see copy of letter being exhibit No. 1 attached) advising Hudson Bros. to drop the passenger business and telling them they had no right to carry passengers until they had a proper captain, and that he was unable to issue certificate.
>
> I am irresistibly drawn to the conclusion that when Hudson promised M. R. Davis that he would stop carrying passengers, as M. R. Davis says he did, that he, M. R. Davis, must have known and did know that Hudson was acting illegally, and I consider that it would have been at least wisdom on the part of M. R. Davis, when he saw that no proper steps were being taken to stop the running of the Mayflower, to have notified the Department of Marine and Fisheries so that the minister could have directed some person or persons to take the necessary steps to seize and detain the boat.
>
> If is only fair to say that M. R. Davis takes the ground that it was not his duty, but the duty of the chief officer of the customs, and in this he may be right, but he, as an inspector, knew that the Mayflower was not entitled to a certificate, and evidently knew that she was running, and it would have been a very simple matter for him to have notified the customs office at Ottawa, if he considered that they were the proper parties to intervene.

In view of the fact that the neglect of a government official is so strongly pointed

out, and that the commissioner intimates that, had this official fully performed his duty, the calamity might not have taken place, could not the Government reasonably consider the advisability of rendering some aid to the families left destitute by this disaster?

Mr. WHITE (Minister of Finance): The report from which my hon. friend has quoted has not yet been fully considered by the Government.

NAVAL FORCES OF THE EMPIRE.

Consideration of the proposed motion of Mr. Borden for the second reading of and concurrence in the resolution reported from the Committee of the Whole for increasing the effective naval forces of the Empire, and the proposed amendment of Sir Wilfrid Laurier thereto, and the proposed amendment to the amendment of Mr. Verville, resumed from February 11.

Mr. MARCILE (Bagot): (Translation.) Mr. Speaker, in rising to take part in the debate on the resolution now before the House, I have not much hope of contributing many new ideas, but I am rather impelled by a desire to fulfil my duty towards my constituents who have constantly stood by me since 1898, and especially during the last general election on the 21st of September, 1911. Mr. Speaker, the constituency which I have the honour to represent in this House being largely composed of French Canadians, most of them farmers, they are, I am proud to say, faithful and loyal subjects of His Majesty, ready to defend their country whenever an occasion offers.

Let me now, Sir, consider with you and honourable gentlemen in this House the resolution introduced by the right hon. Prime Minister on December 5 last, setting forth a proposal for the granting of $35,000,000 towards the building in Great Britain of three warships, called super-dreadnoughts, to be incorporated in the British navy and be for all time part and parcel of it.

A question which perplexes me is whether this resolution is in harmony with the constitution under which we live, and also whether this proposal is a development of the ideas of the fathers of confederation who were instrumental in binding together the provinces of Quebec, Ontario, New Brunswick, Nova Scotia and others. I do not think it is. And not only that, I think the exact opposite is nearer to the truth. Indeed, if we look up the reasons given by Sir George E. Cartier to the people in New Brunswick and elsewhere, for the purpose of inducing them to accept the new order of things, we will find these words spoken at St. John, N.B., on September 14, 1864:

> Under a federal government, the central authority may have at its disposal large land and sea forces and exert great power in respect to foreign countries. That central power disposes of the means whereby it can command respect, both for itself and for the people placed under its rule.
>
> On the other hand, each state included in the confederacy having full control over all internal matters, there is no occasion for friction arising between conflicting authorities or out of the grievances that such disputes bring about.
>
> It will be seen at once that the federal system is likely to insure both the strength of a great nation and that consideration for local interests which is one of the strong points in the government of smaller communities.

And further on:

> Another consideration of the highest import is the defence of the country. Under our present system, one province cannot claim assistance from her neighbour in case of war; but should we have confederation, we shall dispose of an army of 200,000 men, and of a navy of 60,000; and with such forces, Great Britain would be very much more likely to help us in case of need than if we were dependent upon her.

This statement of Sir George E. Cartier is evidence that the policy in vogue at the time was not a policy of contribution, but a policy of Canada for the Canadians. In spite of their reliance on the patriotism of Cartier and other French Canadian representatives at the time, the people of the province of Quebec hesitated for a moment, and, in fact, several of Cartier's friends went back on him. However, Mr. Speaker, Cartier was not discouraged thereby, and at a large meeting which was held in Montreal, he said among other things, on September 22, 1864:

> Confederation will give us a broader outlook, but at the same time, it will instil in our family life, prospects of happiness and enjoyment which have been denied us heretofore. Confederation will make us free and masters at home, in the management of our own special affairs.

And farther on:

> No country can ever expect to attain greatness if it remains in such a position as to be unable to resist onslaughts from outsiders. The Imperial Government has been blamed for having so hurriedly recalled from Canada its regulars. But, however regrettable that decision in the eyes of a large number, it should not prevent Parliament and the Canadian people from organizing and maintaining in accordance with the means and resources of this country military forces sufficient to ensure our being respected.

It was by means of such utterances worthy of a statesman and a true Canadian that victory was ensured to the Government forces at the election which took place in the month of July, 1867.

In the report of that same speech, we have the following words:

> The province of Quebec has no right to interfere with the political progress of the

country and the spread of a great idea. Should she take such a stand, it will soon be over with her; we will have a recurrence of the struggles of 1837, with this difference that she will no longer have to deal with British soldiery, but with fellow-citizens of other nationalities who will never pardon her obstinacy.

Let us avoid narrowing down too much our people's outlook on this continent. Let us rather widen our country's horizon; in that way will we succeed in endowing her with greatness and beauty by developing the opportunities of her children and defenders.

Although I was at that time a young man, I have not forgotten the speeches which were then delivered by the leading men in that campaign. The constitution of 1867, Mr. Speaker, was discussed, particularly section 91, sub-section 7 of which provides that the Government will organize a militia force on land and at sea. That right, Mr. Speaker, let me tell you, was, to my mind, delegated by the people to the Canadian Parliament at that very time; and the representatives of the people at the time understood it that way, since, during the session which followed the election of 1867, they carried through the Militia and Defence Act. Of course, Mr. Speaker, the revenues of the country at the time did not allow of both the land and sea forces being organized at the same time; but a reading of the Act shows that such was their intention, as may be ascertained by referring to the Revised Statutes of 1886.

But before we proceed to a consideration of that Act, I may be allowed to read the statements made by Cartier at the time of the introduction of the Militia Bill in 1868:

I hope the Imperial government will be satisfied with the number of men for which this bill makes provision. A force of 700,000 men is no mean thing. At a time when the 4,000,000 white men inhabiting the southern states were labouring under the greatest distress, they succeeded in recruiting 400,000 men to defend their country during a period of four years against the advance of the Northern people, who numbered 24,000,000 and put on foot, during the war, an enormous force of 2,600,000. Should we find ourselves under the necessity of resisting an invasion from the United States, we would be in a much better position than the Southerners with our 700,000 men ready to take up arms independently of the assistance which would be forthcoming from Great Britain and of the opportunities afforded to our fleet.....

Now, Sir, let us refer once more to the Act, which is to be found in the Revised Statutes of 1886, and let us see how it reads:

3. The Command in chief of the Land, and Naval Militia, and of all Military and Naval Forces, of and in Canada, is vested in the Queen, and shall be exercised and administered by Her Majesty personally or by the Governor General as Her representative.

4. There shall be a Minister of Militia and Defence, who shall be charged with and be responsible for the administration of Militia affairs, including all matters involving expenditure, and of the fortifications, gunboats, ordnance, ammunition, arms, armouries, stores, munitions and habiliments of war belonging to Canada.

10. The Militia shall consist of all the male inhabitants of Canada, of the age of eighteen years and upwards, and under sixty—not exempted or disqualified by law, and being British subjects by birth or naturalization; but Her Majesty may require all the male inhabitants of Canada, capable of bearing arms, to serve in case of a 'Levée en Masse.'

11. The male population so liable to serve in the Militia shall be divided into four classes:—

The first class shall comprise those of the age of eighteen years and upwards, but under thirty years, who are unmarried or widowers without children;

The second class shall comprise those of the age of thirty years and upwards, but under forty-five years, who are unmarried or widowers without children;

The third class shall comprise those of the age of eighteen years and upwards, but under forty-five years, who are married or widowers with children;

The fourth class shall comprise those of the age of forty-five years and upwards, but under sixty years;

And the above shall be the order in which the male population shall be called upon to serve.

12. The militia shall be divided into active and reserve militia—land force; and active and reserve militia—marine force; the active militia—land force—shall be composed of—

(a) Corps raised by voluntary enlistment;

(b) Corps raised by ballot;

(c) Corps composed of men raised by voluntary enlistment and men balloted to serve.

The active militia—marine force—to be raised similarly, shall be composed of seamen, sailors and persons whose usual occupation is upon any steam or sailing craft, navigating the waters of Canada;

The reserve militia—land and marine—shall consist of the whole of the men who are not serving in the active militia for the time being.

79. Her Majesty may call out the militia, or any part thereof, for actice service either within or without Canada, at any time when it appears advisable so to do by reason of war, invasion or insurrection, or danger of any of them; and the militiamen, when so called out for actual service, shall continue to serve for at least one year from the date of their being called out for actual service, if required so to do, or for any longer period which Her Majesty appoints;

2. Her Majesty may, from time to time, direct the furnishing by any regimental division of such number of militiamen as are required, either for reliefs or to fill vacancies in corps on active service;

3. Whenever the militia or any part thereof is called out for actual service by reason of war, invasion or insurrection, Her Majesty may place them under the orders of the commander of her regular forces in Canada.

4. The active militia of any corps thereof, or any part of a corps, shall also be liable to be called out for active service, with their

arms and ammunition, under special or general regulations made by the Governor in Council, to act as guards of honour, escorts, or as guards and sentries, or to fire salutes in any of the following cases:—

(a) The opening or closing of any session of the Parliament of Canada or of the Legislature of any Province of Canada;

(b) For the purpose of attending the Governor General of Canada, or any member of the Royal Family while in Canada;

(c) For the purpose of guarding any armoury or other place where arms, guns, ammunition or other military stores are kept.

5. The Governor in Council may make regulations for calling out for active service as guards or sentries at the residence of the Governor General, or of any member of the Royal Family while in Canada, any corps or part of a corps of the active militia.

That Act, Mr. Speaker, remained in the Statute-book until 1910 when it was amended; that explains, Sir, why the Bill referred to by the Honourable Postmaster General in his speech never materialized.

But before going into the merits of the Act of 1910, let me refer to another period of our history.

I am bound to acknowledge, Mr. Speaker, that although the Constitution, in my view, enables the Canadian Parliament to organize a naval militia, and although the Act in reference to it existed in our Statute-book, nothing was done previous to 1910.

Let us review briefly, Mr. Speaker, the reasons which induced Sir Wilfrid Laurier to start the organization of a naval militia which had been in expectancy since Confederation. Under the Liberal rule of 1896 the country's revenues had increased to such an extent that every year the honourable then Minister of Finance, Mr. Fielding, was in a position to announce at the close of each fiscal year surpluses varying from $5,000,000 to $30,000,000. Moreover, Mr. Speaker, at the Imperial Conference of 1902, a proposal having been made by Lord Selborne, in connection with the navy, and by Mr. St. John Brodrick, in connection with the militia, we find that the following answer was given on behalf of the Canadian ministers (at page 73):

Memorandum by the Canadian Ministers Concerning Defence.

The Canadian ministers regret that they have been unable to assent to the suggestions made by Lord Selborne respecting the Navy and by Mr. St. John Brodrick respecting the Army. The ministers desire to point out that their objections arise, not so much from the expense involved, as from a belief that the acceptance of the proposals would entail an important departure from the principle of Colonial self-government. Canada values highly the measure of local independence which has been granted it from time to time by the Imperial authorities, and which has been so productive of beneficial results, both as respects the material progress of the country and the strengthening of the ties that bind it to the Mother land. But while, for these reasons, the Canadian ministers are obliged to withhold their assent to the propositions of the Admiralty and the War Office, they fully appreciate the duty of the Dominion, as it advances in population and wealth, to make more liberal outlay for those necessary preparations of self-defence which every country has to assume and bear.

* * * * * *

At present Canadian expenditures for defence services are confined to the military side. The Canadian Government are prepared to consider the naval side of defence as well. On the sea-coasts of Canada there is a large number of men admirably qualified to form a Naval reserve, and it is hoped that at an early day a system may be devised which will lead to the training of these men and to the making of their services available for defence in time of need.

In conclusion, the ministers repeat that, while the Canadian Government are obliged to dissent from the measures proposed, they fully appreciate the obligation of the Dominion to make expenditures for the purposes of defence in proportion to the increasing population and wealth of the country. They are willing that these expenditures shall be so directed as to relieve the taxepayer of the Mother Country from some of the burdens which he now bears; and they have the strongest desire to carry out their defence schemes in co-operation with the Imperial authorities, and under the advice of experienced Imperial officers, so far as this is consistent with the principle of local self-government, which has proved so great a factor in the promotion of Imperial unity.

That stand of our Canadian ministers during the conference was approved by this House unanimously, if I am not mistaken, in the course of the session of 1903, and subsequently by the Canadian electorate at the general election of 1904 and 1908.

Despite that approval, Mr. Speaker, the Government of the day did not think fit, or rather, did not judge that the time had arrived to carry out the proposal made at that conference, and one of the grounds taken—I do not think I am far astray—was that the country had undertaken in 1903 the building of the new transcontinental which was likely to absorb any surpluses forecasted and even more than that. That is why on March 29, 1909, we had not yet made a start in the organizing of our naval militia, when the hon. member for North Toronto (Mr. Foster) introduced the resolution with which we are acquainted and which was amended on motion of the right hon. Prime Minister of the day, now the leader of the Opposition in this House. It reads as follows:

This House will cordially approve of any necessary expenditure designed to promote the immediate organization of a Canadian naval service in co-operation with and in close relation to the Imperial navy, along the lines suggested by the admiralty at the last Imperial Conference, and in full sympathy with the view that the naval supremacy of Great Britain is essential to the security of commerce, the safety of the Empire and the peace of the world.

That motion was carried unanimously in this House, the hon. member for Jacques-Cartier (Mr. Monk) approving of it as all other hon. members, for he stated on the floor of the House in his speech on the address, at the opening of the session of 1911-12, that he had not voted on that motion, having retired previous to the vote being taken, but that he accepted it with all his heart and that should it be put once more, he would be glad to vote for it.

It was subsequently to the carrying of that motion, Mr. Speaker, that the Government of the time set their minds in earnest to providing a naval militia. During the following session, in 1910, the Government of Sir Wilfrid Laurier introduced the Navy Bill, repealing that already in existence, as I have shown at the opening of my remarks.

You will agree with me, Mr. Speaker, that the new Act does not contain any new or very striking enactment, and in order to make good my contention I shall quote the statement made in this House by the hon. member for Jacques-Cartier, at the session of 1909-10, p. 2991 of 'Hansard,' as follows:

I find nothing extraordinary in the Bill under discussion, nothing that is not already contained in our statutes, with the exception of section 18, to-day section 22 of the Act of 1910.

Let us ascertain, Mr. Speaker, what difference there is between section 79 of the old Act and section 22 of the new Act which has replaced it:

22. The Governor in Council may place the naval forces or any part thereof, on active service at any time when it appears advisable so to do by reason of an emergency.

23. In case of an emergency the Governor in Council may place at the disposal of His Majesty, for general service in the Royal Navy, the Naval Service or any part thereof, any ships or vessels of the Naval Service, and the officers and seamen serving in such ships or vessels, or any officers or seamen belonging to the Naval Service.

24. Whenever the Governor in Council places the Naval Service or any part thereof on active service, as provided in the two preceding sections, if Parliament is then separated by such adjournment or prorogation as will not expire within ten days, a proclamation shall issue for a 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 in like manner as if it had stood adjourned or prorogued to the same day.

Now, section 79 of the old Act reads as follows:

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 so to do by reason of war, invasion or insurrection, or danger of any of them; and the militia when so called out for actual service, shall continue to serve for at least one year from the date of their being called out for actual service, if required so to do, or for any longer period which Her Majesty appoints;

2. Her Majesty may, from time to time, direct the furnishing by any regimental division of such number of militiamen as are required, either for reliefs or to fill vacancies in corps on active service;

3. Whenever the militia or any part thereof is called out for actual service by reason of war, invasion or insurrection, Her Majesty may place them under the orders of the Commander of Her Majesty's regular forces in Canada;

4. The active militia or any corps thereof, or any part of a corps, shall also be liable to be called out for active service, with their arms and ammunition, under special or general regulations made by the Governor in Council, to act as guards of honour, escorts, or as guards and sentries, or to fire salutes in any of the following cases:—

(a) The opening or closing of any session of the Parliament of Canada, or of the Legislature of any Province of Canada;

(b) For the purpose of attending the Governor General of Canada, or any member of the Royal Family while in Canada;

(c) For the purpose of guarding any armoury or other place where arms, guns ammunition or other military stores are kept.

5. The Governor in Council may make regulations for calling out for active service as guards or sentries at the residence of the Governor General, or of any member of the Royal Family while in Canada, any corps or part of a corps of the active militia.

It has been contended in this House and in certain provinces of the Dominion that the legislation referred to savored of separation and that this was due to the fact that Sir Wilfrid Laurier was a French Canadian and, on that account, disloyal to the British Crown, while in the province of Quebec our opponents clamored on the hustings that Sir Wilfrid Laurier was sold to Great Britain and was sacrificing our autonomy secured against such heavy odds, for the pleasure of receiving a decoration from the Imperial Government or His Majesty.

Now, Mr. Speaker, French Canadians are no separatists. Far from it, Sir, if there is in Canada a section of men who are distinctly opposed to separation, they are the French Canadians. There is no inducement for us, Mr. Speaker, to change our allegiance. We are allowed to live in peace, our rights and privileges are guaranteed, we are keeping up our French language, our traditions and our customs, and we are let free to practice our religion without the slightest stricture being put upon us. Therefore, though we are not imperialists as my hon. friend from Queens and Sunbury would have us, we are not separatists, we are first of all Canadians.

I stated a moment ago, Mr. Speaker, that the Navy Act of 1910 does not differ from the previous enactment we had in the same connection. However, there is one point of difference, and it is this: the former Act provided for compulsory service, while the new Act provides for voluntary service only.

As regards section 22, which provides that in case of emergency the navy, or part of it, may be put at the disposal of His Majesty for service in the Imperial navy, the old Act positively granted that privilege. However, Mr. Speaker, although the Government of the time was not making any new departure, a campaign based on appeals to prejudice was started against it and its supporters. The first shot was fired in April, 1910, at a public meeting which took place at Upton, in my county, when charges of all kinds were levelled at Sir Wilfrid Laurier and myself. A second onslaught was made in the course of July, 1910, in my own town, and the same charges launched against us. I shall abstain from acquainting the House with the references made at the time to myself and the Administration of Sir Wilfrid Laurier. I shall be content with quoting a few of the rash utterances emanating from some of the speakers at these various meetings:

When in fifteen years from now your wives will see the Government recruiting agent enter the house with that cursed statute in his hands, and say: My poor lady, you will have to give up your children, not for the defence of your native land, but for the purpose of battling under various climes, and over every sea, for the glory of British arms; and when a few months later, your wives will learn that an Austrian shell, or a Japanese cannon ball, or a broadside from a German ship has disembowelled your children, or that they have fallen into some precipice, or that they have met death on the deck of some warship, do you think that they will then comfort themselves by saying: 'Very well, my husband was a Liberal, and that legislation was introduced by Mr. Laurier. He was all right'? No, they will curse that legislation and it will be only justice.

Great Britain has even gone to the point of grinding down her colonies, as in olden times the Roman emperors were apt to do. The only franchises which we enjoy, we have had to wrest from her. Great Britain has not conquered Canada for the fun of it, or with a view to spreading a knowledge of the gospel, as was the case with France; but for the purpose of establishing trading posts, and securing profits thereby. She has spread over the earth's surface, hatred, enmity and warfare. We have no more use for Great Britain and the British.

I allowed those aspersions to go unnoticed, and pardoned those accusers, as many of them did not realize what they were doing, for lack of brains. A certain number of my supporters were carried away by such statements and utterances; but to-day, Sir, it would not be possible to deceive them again in that way.

Now, Sir, an effort is being made to vindicate these accusers in this House, by repudiating the statements attributed to them. And even in cases where such statements have been made within our own hearing, we are bound to accept the denial so made. However, Sir, I may be allowed to recall an incident. It occurred in the month of November, 1910, during the by-election in Drummond and Arthabaska. One morning the telegraph boy brought to my house the following message:

J. E. Marcile,
Acton Vale.

Be at West Wickham after mass without fail; you will meet Nantel.

(Sgd.) J. E. Perreault.

On receiving this message I proceeded to West Wickham, as requested, and to my great surprise I found there the hon. member for Terrebonne, to-day Minister of Inland Revenue (Mr. Nantel). A public meeting was called after mass, and I give herewith the views expressed at the time by that hon. gentleman on the navy question. I took note of his utterances, having a strong suspicion that they might be of use later on. They read as follows:

The Laurier Government has during the last session provided for a navy, a navy which will be Canadian in time of peace and Imperial in time of war. Millions are going to be expended on that navy, and to what use is it going to be put? To take away your children and have them butchered for England's sake on the seas of China and Japan. Borden's policy is just as objectionable as that of Laurier. (And in answer to an interruption to the effect that Borden was his leader): I have nothing to do with Borden; I condemn his policy as I do that of Laurier. My leader is Monk, and I call on you all, Liberals and Conservatives as well, to join hands towards inducing the Laurier Government to give up their naval policy and apply that money to developing the country. Assist us in securing the repeal of that cursed naval legislation.

Such are, Mr. Speaker, the statements which were made by the hon. member for Terrebonne, to-day holding a portfolio in the cabinet under the leadership of the hon. Mr. Borden. His erstwhile chief, Mr. Monk, has resigned father than accept the present policy of the Administration, but the hon. Minister of Inland Revenue, who, in 1910, insisted on being his faithful and devoted servant and follower, has not thought fit to imitate him in this resolve. He preferred remaining with the man in whom, in the year 1910, he placed no reliance whatever, stating his policy to be even more objectionable than that of the now right hon. leader of the Opposition. But, Sir, that hon. minister is not the only one who is forced to give up professions of political faith made while sitting on this side of the House. I might quote from the speeches of all hon. members on your right who hail from the province of Quebec. But I do not wish to uselessly take up the time of the House. However, there is another meeting which I happened to attend and which I would like to recall to the memory of the House. It took place on December 10, 1910, in the city of St. Hyacinthe. My regretted friend, Mr. Beauparlant, since deceased, was then the representative of

that constituency and he requested me one day to be with him at St. Hyacinthe, on the evening of December 10, there to meet the hon. member for Champlain (Mr. Blondin) and two others. Sir, I accepted with pleasure the invitation, and having attended the meeting I had an opportunity of listening to the following utterances from the mouth of the hon. member for Champlain, as reported in Le Devoir, on the date of December 27, 1910:

This Government does not settle great questions, it kills and buries them.

Its favourite way out of a difficulty is to say that a question is dead and buried.

Dead and buried the Manitoba School Question, in spite of the eloquent voice which says: 'My wound will ever be with me, and my grave is a cradle.'

Dead and buried the question of the sending of contingents, which caused your sons to be enlisted and to shed their blood on African soil. No, no!

You will be called upon to decide on the navy question. (Cries from the audience: We shall not vote for the navy.). . . . .

We entreat you to overthrow a moribund Government.

Send forth leaders, bound, not by the dictates of a chieftain, but by unalterable principles and the pledges they have taken.

The directing principle of this campaign inspires and controls all our actions. It is: 'Canada for Canadians and Canadians for Canada.'

We wish to remain loyal subjects of the British empire, we long for that fruitful liberty which is productive of greatness, and we revolt against the tyranny of despots and potentates.

We are willing to fight only when the Canadian frontier is threatened, but never when Africa is menaced.

We wish that from ocean to ocean, and in all the provinces, all nationalities should be on the same footing, that there should be no distinctions of victors and vanquished.

We want an honest Government that will consult the people and follow their dictates.

We will not find on that platform the fascinating emblems of power, or those men who have committed treason to obtain preferment and lay hands on the spoils; but patriots who have come to do homage to a loyal and unsullied flag and to defend a holy cause, the cause of liberty. . . . . .

Gentlemen, neither strength nor numbers are on our side, but we will battle for the triumph of eternal justice. . . . . .

There is something worth more than the title of Prime Minister, than decorations and preferment in high circle, it is a good name.

There is something preferable to power; it is the approval of the people.

We are not calling for your assistance to help us to reach power and then gorge our friends with favours; we are only anxious to be judged and seconded.

And our cause will triumph, and we shall succeed in killing the naval policy.

In our cemeteries our great men are laid to rest, founders of the Canadian fatherland, who have shed their blood and sacrificed their lives for its well-being; we have rapped at the entrance of their last resting place and requested them to speak out.

And the great shade of Mercier made its appearance and said to the supporters of the Government: 'I no longer recognize you.'

Baldwin and Lafontaine, also arose to say that unjust legislation is of no avail and may at any time be repealed.

And Papineau, the great and immortal ancestor of Bourassa, shaking the dust off his shroud, came forth to tell us that it is our duty to fight for justice and liberty.

Sir, such statements made before a numerous audience had no doubt the effect of making people believe these gentlemen were serious and in good faith. As a matter of fact, a goodly number of Liberals took the cue; satisfied as to the sincerity of their advisors, whose stand was nevertheless prompted by hypocrisy and deceit. Hardly had such statements been made than they were forgotten; and this is still, and to a greater extent, what is going on to-day, the people thus deceived having put into power those who deceived them.

But, Sir, in the same way that God's justice is bound to have its day in regard to each one of us, in the same way the people who scold, the people who are biding their time, the people will some day come to their own.

I have shown you, Sir, that under our country's constitution, and according to the views and measures taken by the fathers of confederation, there is nothing that can justify this Government to force through the House this resolution introduced by the right hon. Prime Minister. That resolution is unconstitutional, and at variance with the policy propounded by all governments who have had in hand the affairs of the Dominion up to this day, whatever their political colour.

I submit that we have no right to take this $35,000,000 out of the pockets of the Canadian people and make a present of it to outsiders.

It has been alleged that such an expenditure is urgent; such was the statement made when the Prime Minister introduced his resolution. Later on it was realized that the emergency theory would not go, and the word 'need' was substituted. What 'need' is there, Sir, of giving away $35,000,000 to a people who are quite in a position with their ordinary revenue to meet all current expenditure, and besides, through surpluses, pay off $275,000,000 off the national debt in a period of four or five years. That is an extraordinary contention, everyone will admit. I say, Sir, that a people whose financial condition is such as I have stated is surely not in need.

Oddly enough, whenever some new departure is contemplated in Great Britain, invariably the German peril crops out. And in this connection I was rather amused to hear the honourable Postmaster General (Mr. Pelletier) insist that we should vote that $35,000,000 in a hurry, because Ger-

many is not more than twelve hours away from the British Isles, and was only waiting for an opportunity to pounce on Great Britain; but that by means of that $35,000,000, Canada would satisfy Germany that she would be running a great risk in carrying out such a plan, seeing that we were going to take part in the fray; and such a consideration, he stated, would ensure universal peace for all time to come. Indeed, Sir, I would never have suspected that Canadian money had such power, and especially that the Postmaster General nursed that delusion.

Surely, if an outlay of $35,000,000 was a sure guarantee of universal peace, many a country much more interested than we are in the maintenance of world-wide peace would willingly contribute twice, three times, four times that amount towards securing that end, and deem themselves the gainers at that.

No, Sir, what the Government were anxious for was to satisfy the people that their views differed from those of their predecessors. They resolved to have nothing to do with the legislation of 1910 in regard to the construction of warships. But then they were bound to do something and accordingly launched out the German peril as an excuse for this vote of $35,000,000.

Whoever has kept posted with newspaper talk since December 5th last has a pretty good idea of what that so-called peril amounts to. If I am to judge by newspaper reports of a recent date, the German Chancellor is quite willing to conclude an 'entente amicale' with Great Britain as regards the building of warships. The danger then is not so pressing as it was made to appear. And, Sir, if we are to form our opinion of the German people from those who live in our midst, that opinion should differ materially from that voiced by the Postmaster General.

So then, Mr. Speaker, there exists no immediate need, still less any emergency, and therefore, I do not see why we should require the farming and industrial classes of this country, who pay the greater part of taxation and contribute the greater part of our revenue, to sacrifice five dollars for every man, woman and child, in order to make up that contribution of $35,000,000—that is about what it would amount to—to go into the pockets of British workmen.

What would you think, Sir, should the city of Ottawa, without any fire protection for itself, vote a certain amount, say $500,000, or even $100,000, as a grant towards providing protection against fire in the city of Montreal or that of Toronto? You would agree with me, I think, that the city of Ottawa should, to begin with, provide itself with the necessary means of protection.

In various localities of the Dominion bonuses are offered to induce the establishment of various industries, thereby helping on the growth of the town and providing opportunities for the working people. Why should not the Government imitate such action, and assist in providing dry docks at various points, since they will not on their own account engage in the building of steel ships. I am satisfied that by offering assistance in proportion to the importance of the undertaking, they would meet the wishes of hon. members of this side of the House.

Sir, this contribution policy has not to my knowledge been approved by the people heretofore; no Government has ever taken such a stand; accordingly I find that the motion introduced by the hon. member for Maisonneuve (Mr. Verville) is justified, and I shall gladly cast my vote in support of it, seeing that it recognizes the desirability of submitting the question to the people by means of a general election.

I shall vote against the resolution and motion of the right hon. Prime Minister because I deem such a policy anti-Canadian, contrary to the interests of the country, and likely to bring about results similar to those achieved in regard to the thirteen colonies to the south of us.

I shall vote then, Mr. Speaker, in support of the amendment moved by the right hon. leader of the Opposition, because it upholds fundamentally Canadian principles, as well as those principles of self-government and control by the people over public expenditure, for which our forerunners have fought and spilt their blood. I shall vote in favour of the amendment, Sir, because it maintains the policy voiced by a whole people in this House through their representatives on March 29, 1909, while the policy of our friends sitting on your right, Mr. Speaker, is merely that of a certain clan and is not at all in accordance with the wishes of the Canadian people. I shall say in concluding, with the poet, Mr. Speaker, 'Oh Canada, my country, my fatherland and my true love.'

Mr. JOSEPH DEMERS (St. Johns and Iberville): (Translation.) Mr. Speaker, It I venture to address the House on a subject almost thoroughly threshed out, it is because the question under discussion just now is of so great importance, that to my mind it is incumbent on all those who hold a mandate as representatives of the people to express fully and plainly their views, so that it may not be stated later on that on a question of such import, so full of possibilities for the future, any of us has shown rashness, indifference or cowardice; and I venture to hope that before this debate is brought to a close, we will have an expression of opinion from all the various groups making up the House of Commons, a result which has not so far been obtained. In fact, Sir, what is our object just now? Is is not to give to Canada a new political ideal? Why not call things by their proper

name, why not speak out what is in one's mind? This is not a passing whim, an exigency of the moment, to meet an emergency; on the contrary we are called upon to lay down a rule which will be considered as the deliberate and well matured expression of a principle of government, sanctioned and ratified right away by a grant of $35,000,000 to Great Britain.

Such is the view that should be taken of the policy of this Government, now that the emergency question is not even discussed and has been laughed out of court.

Should we consider as being made under conditions of emergency such a contribution as the Government proposes to make: $35,000,000 to Great Britain, that is to say, $1,000,000 per month during three years, or $33,000 per day or, $1,500 per hour during a period of about eleven hundred days, to use the arguments of our opponents in the province of Quebec, in the course of the last general election, the whole representing the total land values in three counties? Let us not be satisfied with words but rather look into the emergency feature of this contribution.

And in dealing with that point, I shall not make comparisons between the naval forces of Great Britain and those of European or other foreign powers; I shall not inquire whether Germany has altered its programme of naval construction within the last ten or twelve months. No, I shall keep within the following limits.

We are called upon to vote a grant of $35,000,000 to Great Britain, and that on the ground that there is an emergency. Can there be any emergency which the granting of $35,000,000 to Great Britain can do away with, unless Great Britain be in need of money? And can Great Britain be in need of money unless she is incapable of finding any at home? Now, nobody would be so unkind as to claim that Great Britain is without money; and especially in our case we are aware that this $35,000,000, we will never have in hand; we will never have to send the cash across the sea, but directly or indirectly we shall have to borrow it in Great Britain and, as a matter of fact, we will be content with saying to those who lend us the money: 'Keep your $35,000,000; we acknowledge having received the amount, here is our promissory note, we undertake to pay to you both capital and interest.'

Can there be any emergency connected with the sending of $35,000,000 to England when we know for the past five years she has cut down her indebtedness by over $300,000,000, while we are getting deeper into debt year after year?

Can there be any emergency in connection with the sending of that money, knowing as we do that the capital required for the development of our country is supplied to us from Great Britain?

Emergency, you say? When England through her recognized representatives (and she has no others) states that she is in a position for years to come to cope with any emergency.

No there is nothing in that which resembles in any degree an emergency; and what we are now considering is nothing else than a miserable piece of political expediency.

And how was such a policy ever conceived? Indeed I deeply regret that the Conservative leaders should not have shown more dignity, and should appear to be as little worthy of confidence as the erstwhile Nationalists who just now occupy seats in this House.

As a matter of fact what has been going on under our eyes? Such occurrences should be recalled now and then so as to be constantly present in the minds of all. There was unanimity in this House on March 29, 1909, when the then leader of the Government proposed the establishment of a Canadian navy.

And not only that. The Laurier proposal was not sufficiently far-reaching; it was stated in the resolution that the intention was to promote the organization of a Canadian navy; but the present leader of the Government considered that the duty thus imposed was not laid down in sufficiently plain terms; accordingly he requested the right honourable then leader of the Government to insert the word 'immediate' before the word organization.

Then he delivered on that question a great spech against the idea of a contribution; I cannot resist the temptation of quoting an extract which is familiar to many, it is true, but which, in the French language, will have its peculiar flavour; heretofore it has been quoted in the English language only. Besides, even as an actual repetition it would not be objectionable; in matters of this kind 'Bis repetita placent.'

In so far as my right hon. friend the Prime Minister to-day outlined the lines of naval defence of this country, I am entirely at one with him. I am entirely of opinion, in the first place, that the proper line upon which we should proceed in that regard is the line of having a Canadian naval force of our own. I entirely believe in that. The other experiment has been tried as between Australia and the Mother Country and it has not worked satisfactorily in any respect. In Great Britain the contribution has perhaps been regarded as rather unsatisfactory. In Australia it failed, in the end, to meet with the approval of the people for the reason that Great Britain felt constrained to ask Australia that the field of operations of the squadron should be extended to the China and Indian seas; and when the operation of that squadron was so extended, the Australians felt that the contribution which they had been making for some years past was not really being used to give that protection to Australia which her interests demanded. So that the policy of Aus-

tralia at the present time is to build up a flotilla of submarine and torpedo boats which, in case of war would co-operate with the armed cruisers and battleships of the British navy. It was pointed out in discussing this question that Australia in providing a force of that kind would provide a force which it would be very difficult if not impossible for Great Britain to send across the seas, and that in thus protecting themselves they were providing the best possible force for the protection of the empire. So I am at one with the Prime Minister as far as this is concerned. I am at one with him in this respect also that I think that an expenditure of money designed for that purpose, ought, in the main at least, to be under the control of our own Parliament, and that by making an appropriation of that kind and attending to the defence of our own coasts, by co-operation and co-ordination, with the imperial naval forces, we would be rendering a real service in the defence of the Empire, and we would be doing our duty not only to Canada but to the Empire as a whole.

On July 1, 1909, Mr. Borden, at a largely attended banquet in London, spoke thus:

> The resolution of March 29, 1909, as adopted, though its wording apparently does not expressly imply the offer of one or two dreadnoughts, has, however, laid down for Canada a policy in regard to which both parties are united, and which will give better practical results than the offer of dreadnoughts could possibly have.

And now we have the right hon. Prime Minister posing in this House as the champion of a policy of direct contribution. One is naturally led to inquire how such a change of front has been brought about. I shall not undertake to explain what is inexplicable; however, I will state what appears to me to be the reason.

That group of men which was called Opposition previous to September 21, 1911, comprised elements which could not possibly be reconciled. All were agreed on one point, the desirability of overthrowing Laurier. Extremists who were in large numbers in that group realized at once what a great field of prejudice and fanaticism was being closed to them as a result of the stand taken by their leader; I mean the acceptance of the naval policy of the Liberal Government. Of course they were bound to make to the then leader of the Opposition representations, suggesting that an Opposition leader should never be in agreement with the views of the Government, but should fight every proposal. At any rate he did not stand by his previous statements; gradually and labouriously he came around and the final somersault was accomplished after six months of wriggling, and took the shape of an amendment to the Naval Bill of 1910, an amendment which is full of all sorts of things, since it was the essence of what it is possible to extract from a mixture of fcontradictions. For instance, in order to grant twenty, thirty-five or forty millions, that is twice, or three times the cost of a Canadian navy, there is no need for a plebiscite, no need for consulting the people; but to construct a Canadian navy which would have cost $15,000,000, which would have remained our property and the building of which would have meant for the Dominion the development of our industries and considerable earnings for our labouring classes, a plebiscite was necessary, the people should be consulted. The gift was for the jingoes and ultra-loyalists, the plebiscite for the Nationalists. The jingoes were satisfied, considering that they had the promise of an immediate grant of a considerable amount to Great Britain; they were fully satisfied, the more so because they inferred from it that there would not be much left for the establishment of a Canadian navy.

Apparently the Nationalists were not satisfied, although, if we are to judge by what we have seen, and by what we see to-day, from what we have heard and particularly from what we have not heard, we should say that they were satisfied at least in their own mind. But, from a tactical point of view, they were not supposed to be satisfied, and in fact they stated that Borden's policy was even more objectionable than that of Laurier, leaving the people to believe that they were more averse to Borden than to Laurier, realizing that their people were closer to Laurier than to Borden. However, the Borden tactics met with some degree of success, for some of the so-called Nationalists making use of that part of the Borden amendment which related to the plebiscite would say: 'Mr. Borden is also in favour of a plebiscite, since he has rallied to Mr. Monk's views.' Alas, yes, but what a rally! Mr. Monk has not found his way to stay in the cabinet, and the Minister of Inland Revenue would have resigned had it been possible to have another minister elected in his place. The same may be said of the hon. Postmaster General. What a rally! considering that the hon. Minister of Trade and Commerce was able to exclaim in this House the other day, without any protest forthcoming, without a twinge showing on the faces of any of the honourable members on your right, Mr. Speaker; 'How can the right honourable leader of the Opposition contend that the Nationalists have come on top when the very thing which the Nationalists abhor is engraved in the Bill, and when the only thing which, strictly speaking, they might admit, a Canadian navy, is not mentioned at all in the Bill'? But let us not go ahead of time; I now revert to my former trend of thought.

What spectacle have we not been gratified with at the very opening of the first session following on the election of 1911? The group of Nationalist members who had secured their election solely for the assumed

purpose of fighting any government propounding a naval policy of any kind, and to fight mercilessly as they were wont to do in the case of the Laurier government, not only previous to the carrying of the Naval Bill, but still more so subsequently, that group of members who had restricted their political campaigning to the naval question, making of that question their only subject of address, who referred to it as the only inducement for their entering politics, and who accordingly should have been sitting in the ranks of the Opposition, that group, I say, requested to be seated on the Speaker's right, and without any compromise, without any promise being made, became the hearty supporters of this Government whose great mainstay they are, seeing that the cabinet would not last two weeks without them, and that an appeal to the people would then be in order.

And now, through the assistance of that group, the leader of this Government has set his mind to carrying out the jingo part of his policy, that is to say, the proposal of a direct and permanent contribution to the navy represented as a case of emergency, it being so repugnant in itself that it is necessary to clothe it with the mantle of emergency to make it acceptable; for, after all, Mr. Speaker, since that grant of $35,000,000 cannot be considered as a matter of urgency, for the reasons which I have given above, it amounts to a precedent and to the announcement of a permanent policy. Without the emergency excuse, it has and can have but one meaning, the acknowledgment by Canada of its obligation to contribute to the maintenance of the Imperial navy by means of money grants. What other meaning could it have? What other conclusion could one draw from it? Now, Sir, I would inquire whether such a system is consistent with the dignity of Canada, an autonomous colony of Great Britain? The levying of a tribute is not in accord with the principle of responsible government which we enjoy.

Canada is a nation, it has been stated and stated over again, if not in theory, at least in practice; and does one nation pay tribute to another towards defraying the cost of the latter's defence? When in the history of the world has such a thing been witnessed?

The contribution system is a blow at our autonomy; it is an almost fatal blow at responsible government, one of the fundamental principles of which,—I might say, the fundamental principle—consists in the absolute right, and duty, as well, to control the expenditure of public money, so as to allow of a thorough accounting of them to tax-payers. The sending of a contribution is just as inconsistent with autonomy as would be the action of Parliament should we decide to hand over to the British government the administration of our militia, of our railways or of our customs. The contribution system implies a delegation of powers and duties incompatible with the principles of constitutional government which we enjoy, and that is why we stated to the electors previous to September, 1911, that it would be a serious mistake to overthrow Laurier. That is what satisfied the Nationalists that the Borden policy was the most objectionable of the two from the point of view of the country's future.

What stand will the Nationalists take when the question is put in connection with the resolution now under discussion? It is not necessary to be a very acute observer to foresee what it will be.

What have they done heretofore in reference to that important naval question? Have they fought the government proposal nail and tooth? Did they endeavour to defeat it by keeping up the discussion, by opposing it at every turn, as their convictions, had they been sincere, should have induced them to do? No, they remained as mute as fish, and if any one of them has the courage to raise his voice, it will be to express regret at seeing himself under the sorry necessity of breaking away momentarily from their party; momentarily of course, and that will be the real measure of their sincerity.

Then a certain number of them, to save their lives, will vote against the Government, but not in sufficient numbers to defeat the Government, and immediately after a vote of confidence in the Government will be proposed, to give these gentlemen an opportunity to express without delay their admiration and love for that same Government which, from their point of view, will have the moment before committed almost an iniquity; and thus will the stray lambs be returned to the fold.

No doubt that is what will happen; and in spite of all that, the Nationalist organ Le Devoir, will continue denouncing the Laurier-Borden conspiracy, not realizing apparently that it is itself the prompter of the only real conspiracy that exists.

Now, let us briefly look into the policy of the Liberal party. In 1909, the—I shall not say unanimous—but very prevalent opinion, was that it was time for Canada to begin doing something in the way of naval defence. It was generally believed that we had reached that period foreseen by the fathers of confederation when Canada should think of completing its means of defence. In the same way that, since 1867, we had, in agreement with the views of the fathers of confederation, organized our militia, that is our land forces, in the same way was it believed then, and it is still believed to-day, that, owing to the increasing importance of our country, the increase in its population and in view of the bright future in store for it, we have reached the point when we should take further steps

for our protection and defence at sea as we had previously taken for our defence on land.

From the date of the cession of Canada up to about fifty years ago, Great Britain took direct charge of our territorial defence, but having withdrawn her troops, it naturally devolved upon us, a duty which we have fulfilled, I may say with satisfaction and pride, to see to it ourselves. Accordingly, as regards naval defence, up to five or six years ago, we relied solely on the protection of Great Britain, the Mother Country having established two naval stations in the Dominion, one at Esquimalt, on the Pacific, and the other at Halifax, on the Atlantic.

No one will believe that Great Britain maintained here two naval stations for the only pleasure of spending money. On the contrary, all will admit that if she did so, it was through necessity; and if that necessity was felt at a time when the country was poor, unknown and sparsely inhabited, the need is much more pressing to-day, in proportion to Canada's increased importance.

Particular circumstances have induced Great Britain to recall her ships, and we have been left without any protection. Hence the necessity, which no one can gainsay, to provide protection at sea, in the same way as we have already provided protection on land, since there are no other means of defence but the army and navy, and that these two systems should work concurrently to be effective, in a country such as ours, surrounded by three oceans and cut up by great waterways.

So the Liberal Government had decided to replace the warships which Great Britain had been obliged to recall, and that, by means of legislation vesting in the Dominion full control over our navy, asserting fully our autonomy in that respect. Such is our policy and our whole policy, and who will claim that it is not wise and patriotic?

There is in that Act a clause which enables the Government to put our navy at the disposal of Great Britain, should her supremacy be imperilled, whereupon some have appeared shocked. I say purposely 'appeared,' believing them to be too intelligent to seriously hold such a view. I would like to point out here that it was that only clause allowing us to assist Great Britain in an emergency which estranged from our party the Nationalist group, as may be seen by a statement of their leader, Mr. Henri Bourassa, which reads as follows: 'If the proposal was for a Canadian fleet for the defence of Canada, under the control of the Canadian Government, I would object neither to section 17, nor to section 19, nor in fact to the Bill as a whole.' Therefore, the reason for their estrangement was that authority conferred on our Government to help Great Britain.

What! we living in a British colony, we should not have inserted such a provision!

What! you think you have a grievance, though we have not even gone in that direction as far as some absolutely independent nations, such as France and Russia, for instance, who undertake, do you hear, to assist Great Britain in case of emergency. And those who took offence at that, were nevertheless advocates of the maintenance of the colonial tie.

Why should we assist Great Britain in maintaining her supremacy? A moment's thinking over the matter will show that the rejection of such a duty is altogether out of question. We are a British colony, happy and content to be such, and nothing in the world could induce us to transfer our allegiance, as we only wish for the continuation of the present state of things, and we are aware that the overthrow of Great Britain's supremacy at sea would mean the loss of all that.

It is in our interest to uphold that supremacy, because we are closely bound to Great Britain by political as well as business ties, and we realize that were Great Britain defeated on the high seas, that would mean the dismemberment of her empire, and consequently the upsetting of our national existence, a calamity more particularly to be feared by us French Canadians and Catholics enjoying religious liberty, and the right to speak our tongue even in the councils of the nation.

We realize that the defeat of Great Britain would mean the ruin of her trade, and consequently the ruin of ours, and we cannot overlook the fact that one third of our total exports go to Great Britain. Accordingly we would not be so ungrateful and foolish as to remain indifferent and unmoved in times of emergency and danger, and that is why we said that we were ready to do our share, since we had such a direct interest in doing so.

So much as regards the obligation; now let us look into the efficiency of the system established under the Act. The establishment of a Canadian navy will be, to my mind, by far the most efficient means not only of protecting ourselves, which goes without saying, but also of assisting the Empire, whenever called upon to do so. Indeed the principle of a local establishment of the navy is bound to prevail, that is as clear as daylight.

In some quarters the Laurier navy has been ridiculed; though it was the same system as that adopted by Australia, and whose efficiency the leader of this Government admired. To build a navy at home for our own protection, is to rid Great Britain of the task of protecting us, that is our contribution. Great Britain has no need for whatever battleships we may have, as an adjunct to her own immense fleet, to take part in set encounters on the high seas; but what she does need, is protection for the merchantmen.

If we had on the Pacific coast four or five good warships, and on the Atlantic coast six or seven of them, our enemies would not even think of molesting our merchantmen, for this very simple reason that the nation at war with us would have to concentrate against the British fleet all her available ships, while on the other hand if we have no warships for the protection of our merchantmen, then the enemy might and would naturally content themselves with patching up, repairing some old ships, some old out-of-date gunboats and by means of such insignificant craft block our shipping, seize our ships, etc., and that would not happen if only we had a few warships along our coasts, the enemy being without good ships available to send out aganist us, since all those at her disposal would be employed without exception to oppose the British fleet at the critical point.

So then a local navy would be effective, nay, no other organization would be effective. We hear people saying: Oh, but it requires a great deal of time to build a navy. Mr. Pelletier stated in the House on December 13 last, that it would take twelve years to build the Laurier navy of 1910. Even should it require twenty years, what about it? There is no country in the world where a navy was found ready made; it required time to build it; it will require time to build one here, and we will take it, spending yearly in proportion to our means, but we have to make a start. Such is the policy of the Liberal party and I believe it to be wise and far-seeing.

The proposal of the Conservative party is the absorption of Canada in the Empire, with the absolute loss, not only of our money and of our political franchises so dearly earned by our ancestors. The proposal of the Liberal party is the logical development of our national autonomy, the assertion of our existence as a nation, and the assent willingly given to an expenditure of money towards the carrying out of a duty which the Canadian people are in decency bound to fulfil, the burden of which sacrifice will however be lightened through the development of a new and important industry that will contribute to the prosperity of the country.

With the Conservative policy we shall be Canadians, if any remain. And the hon. member for St. Antoine (Mr. Ames) has given expression to the state of mind of his party, when he exclaimed: 'It is a great thing to be a Canadian, you are proud of it, and so am I; but there is something still better, it is to be an active member of the British Empire.'

With the Liberal policy, we shall be Canadians first of all, and the hon. member for South Renfrew (Mr. Graham) has thus expressed the mental attitude of the Liberal party: 'I am proud of my British citizenship, but still prouder of my Canadian citizenship.'

As for me, in the name of my constituents, whose faithful spokesman I believe I am just now, I protest with all my might against the action just taken by this Government, and I have no hesitation in saying that the stand taken by the supporters of the policy of direct contributions is reactionary, retrograde, anti-national, and I deeply regret to see how little headway has been accomplished towards the development of a Canadian spirit.

Mr. P. E. LAMARCHE (Nicolet): Mr. Speaker, it is my intention to wait until the second reading of the Bill to give my views and those of the people I represent on the question of naval defence. The sub-amendment introduced by my hon. friend from Maisonneuve (Mr. Verville) deals with such an important side of the problem that I feel it will not be out of place for me to give a few words of explanation at this stage as to the vote I intend to cast when that sub-amendment is placed before the House. I became an opponent of the present Government's naval policy when that policy was only in a stage of embryo; it was disclosed in a speech uttered in this House by my right hon. friend the Prime Minister then the leader of the Opposition. From that speech it was possible to foresee the contents of this Bill, but the amount of our contribution was fixed at approximately $20,000,000. The increase of this contribution to $35,000,000 has affected the measure materially. It has not modified the principle and it has not changed my attitude or my views on the subject.

The policy of my right hon. friend the leader of the Opposition I have opposed in the past, and the fact that a suggestion has been made by that right hon. gentleman in the form of an amendment to the resolution providing for the building of two squadrons around the Rainbow and the Niobe has not made me a partisan of the Opposition's proposals. I agree, however, with my hon. friend from Maisonneuve (Mr. Verville) when he says that this legislation should be submitted to the people; but I do not agree with him when he practically implies by his speech on the sub-amendment that the policy of his party, which he praises, should be exempt from such reference to the people. If the amendment of the hon. member for Maisonneuve was not linked to a policy which I do not approve, it would receive my hearty support, but as it is made a part of the amendment moved by the leader of the Opposition I shall cast my vote against it. I shall also vote against the amendment of the right hon. leader of the Opposition. May I add that before this debate goes very far those members who really believe in a consultation of the people will have an opportunity to vote on an

amendment which shall serve not to help any political party, but to find out who is really in earnest and who is not?

At six o'clock, House took recess.

After Recess.

House resumed at eight o'clock.

Mr. B. B. LAW (Yarmouth, N.S.): Mr. Speaker, I have no apologies to offer for taking part in the discussion of this great question which has occupied the time of this House for many weeks past. I do so for several reasons. The first is that I am afraid that perhaps my constituents might think that I had joined the deaf and dumb club which has been formed on the other side of the House, led by the hon. the Minister of Railways (Mr. Cochrane). In the second place, I consider I would be recreant to the duty which I owe to the maritime provinces, from which I come, if I did not have something to say on this question.

In the first place, I deplore the fact that in this the twentieth century of Christian civilization the time of this House as well as that of other parliaments should be occupied in discussing ways and means to build warships for the destruction of life and property. I think that our time would be much better occupied in discussing ways and means to build up our country by enlarging our markets and taking away the restrictions on trade which at present exist, so as to enable our farmers and fishermen to sell their products in the highest market. I desire to discuss the proposal of the Government and the amendment of the right hon. leader of the Opposition from a layman's and businessman's standpoint.

It is not necessary, perhaps, for me to say that I am opposed entirely to the proposal of sending to Great Britain the sum of $35,000,000, I think it is an insult to the loyalty of the Canadian people and is doing them gross injustice in the eyes of the whole world while at the same time it is deceiving the people of Great Britain. I can imagine the Prime Minister and his cohorts when visiting old England last year going to the foot of the throne and saying: We love thee, oh England, especially at election times when we can wave the flag and cry loyalty to catch votes. At such times we would do anything for you, but now our loyalty has cooled off, and the most we can do is to give you money to build three empty dreadnoughts, the largest and strongest ships that science can build and money can buy. But do not ask us to build them in Canada because we do not know how; we have not the brains and the ability; and besides if they are built in England, our Nationalist friends in Quebec cannot hear the sound of the hammers and the various noises incidental to the building of a ship. You must know I have some men in my Cabinet who do not like to hear anything about battleships for England, and except for the $7,000 salary which bolts and bars them to their seats, they would no doubt follow Mr. Monk. If we give you ships we will give you the guns too, but do not ask us to give you the powder or the men to touch the powder off because men are awfully scarce in Canada who would risk their lives unless you would agree not to fire the guns. We can give you the money all right, thanks to the Fielding tariff which left the treasury overflowing when we took power, and we have enough money to pay for the three ships; but we want to stipulate that in case we get hard up a little later on, you will agree to lend us those $35,000,000 back.

I submit to you, Mr. Speaker, that this is a humiliating position for Canada to be placed in. It is un-British and un-Canadian. I cannot bring myself to believe that any emergency exists at all. I am perfectly willing, and I believe that the people of this country are willing, to take the words of the Right Hon. Mr. Asquith, who, only a few weeks ago, speaking at a banquet in London, said:

There has been no time in the history of Great Britain when she was on better terms with all the great powers of the world than she is to-day.

I am prepared to take his statement in preference to the opinions of hon. gentlemen opposite who pose as naval experts, but some of whom are so loyal and brave that they would turn pale at the explosion of an ordinary fire-cracker. Of course, Sir, I do not include in that statement the hon. Minister of Militia (Mr. Hughes), because we all know that he went to South Africa and came back with no bullet holes in his armour and no smell of powder about his clothes. I was pleased, as every hon. member of this House must have been pleased to hear the leader of the Opposition discuss this great question on broad and patriotic lines, and I am sorry to say that members of the Government have gone out of their way to drag into this question petty party politics of the smallest kind. The greatest offender was the Minister of Marine and Fisheries and Naval Defence. From him we might have expected a better example. I would have expected the Minister of Naval Defence (Mr. Hazen), with whose department this great question is more intimately associated, to have discussed it in a broad and statesmanlike manner. It was most amusing to hear the hon. Minister of Naval Defence trying to deceive the people of the little province by the sea, by suggesting to them that under the fostering care of the Government's naval policy they would see in the province the ship-building industry revived. Let me read you, Mr. Speaker, what he said, in speaking on this

resolution, as reported on page 1095 of 'Hansard':

I come, Mr. Speaker, from one of that group of little provinces by the sea, where bold and hardy seamen are reared, where the salt breath of the sea is ever in our nostrils, where the limitless road of the ocean lies at every man's threshold, tempting him beyond the horizon to lands afar. In the days gone by those provinces excelled in ship-building; the products of their skill were found in every sea and in every port. The coming of the iron age killed that industry; the former days of romance are gone. But it is a peculiar pleasure to me to be able to point to that feature of our policy which provides for the revival of our ship-building industry, and provides for it upon a sound, a well considered and a businesslike plan. Under its fostering care, Mr. Speaker, we may look forward with confidence to the day when we again may see our own ships plough the distant oceans, when once more to the man of the maritime provinces the sea will be his rightful heritage. When that day comes, those trading ships under the Canadian ensign, those peaceful merchantmen gliding backwards and forward like shuttles binding the countries of the globe together in a web of harmony and history will cross oceans guarded from molestation by the white ensign of the Imperial navy. The trade routes our steamers will follow will be protected by the warships of our navy—ours in reality henceforward—and among those great policemen of the ocean will be Canadian ships, helping to secure our trade from interruption and our flag from insult.

I was amused to hear those eloquent remarks from the Minister of Naval Defence. I would like to ask him, how will the ship-building industry be revived by sending $35,000,000 in cash out of Canada, money which belongs to the farmer, to the fisherman, to the labourer, and to the mechanic, to help the ship-building industry of Great Britain and to give the mechanics of that country the labour which rightfully belongs to the workmen of Canada. I am honoured by representing a constituency that for fifty years or more built, owned and manned and managed their own ships. These ships ploughed every sea and visited almost every port in the world, and I wish to say for the information of some hon. members of this House, who perhaps do not know, that at one time in the history of the little county of Yarmouth with a population of only 23,000, we owned more ships in proportion to its population than any other place in the known world. In those days the ships were built under very hard conditions and were manned by men who endured many hardships, and officered by men of indomitable will, many of whom have occupied the highest positions in the maritime world. Ships bearing the name of Yarmouth have been seen in every part of the world, and yet, Sir, we are told that large steel ships cannot be built in fifty years in this country. That statement does a gross injustice to the intelligence, ability and perseverance of the people of that little province by the sea whose ancestors were of indomitable will, and who surmounted difficulties not thought of in these days. We are a maritime people and equipped in every way with the raw materials and the brains to build ships of any class or size, and to man them from the commander down to the smallest position on board; and if the Laurier Government had not been defeated we should to-day have been building in Nova Scotia warships and merchant vessels, giving employment to large numbers of men, developing our natural resources, and spending the money in our own country, which, under the policy of the present Government, will be spent in Great Britain in maintaining British shipyards instead of inaugurating a new era of ship-building in Canada. I may say that the money that will be sent to England will be partially spent in obtaining armour plate, the largest part of which I am informed is got from Germany, the country about which most of this discussion has taken place. We have those raw materials, in Nova Scotia and other parts of Canada, and it would be far better to keep that money at home and spend it. The Prime Minister in introducing his naval policy, spoke as follows, as reported at page 710 of 'Hansard':

Where shall these ships be built? They will be built under Admiralty supervision in the United Kingdom, for the reason that at present there are no adequate facilities for constructing them in Canada. The plant required for the construction of a dreadnought battleship is enormous, and it would be impossible at present to maintain ship-building in this country on such a scale. In any case, only the hull could be built in Canada; because the machinery, the armour, and the guns would necessarily be constructed or manufactured in the United Kingdom.

The statement I have just made that a large part of this armour plate is got from Germany does not quite agree with the Premier's statement:

The additional cost of construction in Canada would be about $12,000,000 for the three ships, and it would be impossible to estimate the delay. No one is more eager than myself for the development of ship-building industries in Canada, but we cannot, upon any business or economic considerations, begin with the construction of dreadnoughts; and especially we could not do so when these ships are urgently required within two or three years at the outside for rendering aid upon which may depend the Empire's future existence. According to my conception, the effective development of ship-building industries in Canada must commence with small beginnings and in a businesslike way.

In reply to this I would say that even at the additional cost I would be prepared to have those ships built in Canada by all means, and for the reasons which I have stated. I am told on the best authority that British shipyards are so busy to-day, it is impossible to make a contract for the construction of a tramp steamer for any reasonable delivery. This then, Sir, is surely an opportune time for Canada to embark in the ship-building industry and to demonstrate to the world that we can, and will, establish shipyards to build our own warships, and maintain them as well. I have no sympathy with the statement made by the leader of the Government that it would take Canada a quarter or half a century to build up a naval organization, and that even then it would be but a poor weak substitute for the organization which the Empire now possesses. I wish to ask the right hon. gentleman if Great Britain always had those shipbuilding plants and the ability to build ships that it has to-day. Because, Sir, I fail to read in the Book of Genesis—which is the first book in the Bible, I may say, for the information of hon. gentlemen opposite—that England was building ships at that time. Then let us start, and, with brain, ability, and determination, second to no people in the known world, we are bound to succeed. If the United States had not commenced building her own ships, she would have to-day been building them in some foreign country. Let us follow her example and build ships ourselves as she is doing to-day.

The right hon. Prime Minister, page 708 of 'Hansard' deplored the fact that the British flag has been withdrawn from the Atlantic and Pacific oceans. Let me read what he said:

> The withdrawal of the British flag and the British navy from so many parts of the world for the purpose of concentration in home waters has been necessary but unfortunate. Our navy was once dominant everywhere, and the white ensign was the token of naval supremacy in all the seas. Is it not time that the former conditions should in some measure be restored? Upon our own coasts, both Atlantic and Pacific, powerful squadrons were maintained twelve years ago. To-day the flag is not shown on either seaboard.

I cannot see that under the right hon. Prime Minister's policy this is going to be remedied; and, if he is sincere, I would strongly advise him to adopt the policy of my right hon. friend the leader of the Opposition, which will give us ships on both oceans, protecting Canada, giving labour to Canadians, and at the same time rendering substantial aid to the Empire. I find in the English Parliamentary Debates, volume 41, No. 102, July 22, 1912, a speech by the Hon. Winston Churchill, in which, while discussing the navy estimates for the year 1912, he says:

> Cool, steady, methodical preparation, prolonged over a succession of years, can alone raise the margin of naval power. It is no use flinging millions of money about, on the impulse of the moment——

Which hon. gentlemen opposite are trying to do

> —by a gesture of impatience, or in a mood of panic. Such a course only reveals your weakness and impotence. Those who clamour for sensational expenditure, who think that the kind of danger with which we are faced needs to be warded off or can be warded off in that way, are either ignorant themselves of naval conditions or take advantage of the ignorance of others.

Which remarks I commend most seriously to the consideration of hon. gentlemen opposite as well as to that of the hon. member for Sunbury and Queens (Mr. McLean), whose speech must have made the people of Germany tremble or wonder why they had never heard of this gallant colonel before. I also commend to him the following clipping dated London, February 8, to show how much of an emergency exists at this present time:

> London, February 8.—The morning papers give great prominence, both in their news and editorial columns to the statement of Admiral von Tirpitz, the German Minister of Marine, that Great Britain's naval programme, as outlined by Winston Churchill, is satisfactory to Germany.
>
> 'Change of front by Germany' 'first step toward detente in Anglo-German relations,' 'considerable step towards friendship,' and 'fraught with momentous consequence' phrases which are used to show how the statement is viewed here. Even the least demonstrative of the newspapers welcome it as opening the way to consider the naval rivalry of the two nations in a calmer spirit, and augur that it will result in a lull in the ruinous competition of building big ships and armaments.
>
> Some newspapers build the assumption that a definite agreement has been reached between Great Britain and Germany, especially as the official report of Herr von Tirpitz's statement is accompanied by a similar one ascribed to Herr Jagow, the new Minister of Foreign Affairs, an emphatic declaration that Germany's relations with all the powers are good. To this unofficial reports add that Herr Jagow referred particularly to the relations between Germany and England. This has deepened the impression that a special understanding has been reached between the two countries although this is no solid ground for the assumption.

My opinion is that if any war ever occurs between Germany and England, it will be caused almost entirely by the cheap politicians in Great Britain and the cheaper politicians in this country.

Now, I desire to say a word in reference to the tinpot navy, so-called by our friends opposite. This so-called tinpot navy will float, but it will be a long while before a navy belonging to hon. gentlemen will ever

float. I commend to hon. gentlemen opposite a short statement which I took from the Halifax Recorder in reference to a statement made by the Halifax Herald that there were no Nova Scotians on board the Niobe. That is about as near the truth as some of these statements are, I am sorry to say, because we have two or three young men from Yarmouth, which I may say for the information of some hon. members of this House, is a county in the province of Nova Scotia, who had been on board the Niobe from the time that she came to this side. I was very pleased to learn that the young men who were on board of her have passed their examination in a very satisfactory manner indeed. The paragraph to which I refer is as follows:

'There were never any Nova Scotians on the Niobe,' says our contemporary (the Halifax Herald) categorically. We answer there have been and there are still Nova Scotians on the Niobe. We also state that the Nova Scotian applications for enrollment in the Naval College were considerably more numerous than could be admitted——

I can substantiate that statement, because there were some young men from Yarmouth who applied.

—and every British naval officer who has had anything to do with Canadian sailors will invariably speak of them in the highest terms. If it is a glorious thing for a British sailor to serve in the navy of this country, why should it be regarded as mean and contemptible for a Canadian sailor to serve in a Canadian navy? If cruisers like the Niobe and Rainbow are to be jeered at as tinpots, why should not the same class of vessels, of which there are a hundred at least in the British navy, be called tinpots? Does the mere possession of them by Canada make them 'tinpots?' Should sailors serving in a Canadian cruiser be subjected to contempt and insult when sailors serving in a British cruiser of the same class are lauded as heroes genuinely serving their country? If all save dreadnoughts are to be regarded as tinpots, then out of the entire British navy at the present time there are only eighteen vessels which cannot be classed as tinpots; and the British Admiralty continues to build ten or twelve tinpots to one dreadnought.

Reference has been made on several occasions in this House, and several of the Tory newspapers of Canada have taken great delight in referring during the last two years, to the visit of H.M.C.S. Niobe to Yarmouth. In order to bring the matter fully to your attention, I desire to read an editorial which appeared in the Montreal Star on November 23, 1911:

Once more the Niobe.

The inquiry into the grounding of the Niobe has been concluded and the special cruiser squadron which came to Halifax for the purpose of holding a court-martial is at liberty to go on its appointed business. Having a navy—or the remnants of a navy—of our own, British warships are no longer of special interest to us—in time of peace.

The commander of the Niobe is acquitted of all blame; one lieutenant has been reprimanded, and one dismissed from the service. So far, the immutable law of the British navy, which takes no account of any actors but those under its own jurisdiction or any circumstances except those of the sea and of ships, has worked out a definite result from certain given factors. Whether the court of public opinion with greater latitude and wider powers cannot go a little deeper and place the real responsibility on more guilty shoulders remains to be seen.

It is not necessary to go again over the shameless correspondence, by letter and cable, in the course of which Messrs. Fielding and Brodeur set forth their conviction that the business of the Canadian navy was to make votes for the Government of the day, and that it did not make much difference what training the officers and men had in seamanship so long as the first could dance and the second parade streets to the advantage of a hard-pressed but deserving member of Parliament. The well-meant quavering protests of the Board of Naval Advisers were drowned in the bluff and hearty roars with which two such thorough-going old salts as Skipper Fielding and skipper Brodeur backed up mate Law's demand that the Niobe should take a hand in the game of politics. So the Niobe was sent jogging up and down the coast of Nova Scotia and just what the sailors of the Marine Department warned the politicians of the Cabinet might happen, did happen. The most outrageous part of the whole affair is its result; one young officer ruined, another disgraced, and Messrs. Fielding, Brodeur and Law left as complacent and undisturbed and happy as if the responsibility had really rested on Commander Macdonald and his unfortunate lieutenants.

I regret exceedingly that the Conservative newspapers of this country have stooped so low as to put a political bearing on the visit of the Niobe to Yarmouth. I can assure the members of this House that I have no apology to make for asking H.M.C.S. Niobe to visit Yarmouth. Even my hon. friend the Postmaster General referred to the visit in a derogatory way; and some hon. gentlemen stated in this House last session that the vessel was too large to come into the port of Yarmouth and that she grounded in the harbour. That statement was made also by a gentleman who represents a constituency not far from Yarmouth; and I would advise that hon. gentleman to look more after the wood piles in his own county, and he will find that he is a better judge of spruce gum than he is of the geography of the port of Yarmouth. The occasion on which the Niobe visited Yarmouth was a most important one, not only in the history of Yarmouth itself, but also in the history of the province of Nova Scotia. The occasion was the 150th anniversary of the settlement of Yarmouth, one of the most important ports in the Maritime provinces. Tory newspapers and hon. gentlemen opposite have thought it most strange that a warship, or at least a train-

ing ship, should visit Yarmouth on such an occasion as that. Not many years ago, when a celebration was held at Louisburg, Cape Breton, one of His Majesty's gunboats went there, and the officers and crew participated in the parade and celebration. Why should not Yarmouth be favoured with a visit from the Niobe as well as any other port of this Dominion? She was not purchased to lie in a harbour; she was purchased to give the crew on board practice; and for that purpose the boat was supposed to go up and down the coast and visit the different ports. I might say that the visit of the Niobe was asked for by the committee which was appointed to get up the celebration, which we called the Old Home Week. That committee consisted of Conservatives and Liberals; and I defy any member of this House to go to Yarmouth and find any decent, respectable Conservative who will say that there was any political reason in connection with the visit of the Niobe to Yarmouth. I have yet to hear one reason why she should not have visited Yarmouth. Nobody regrets more than I do the unfortunate accident that happened to her after she left Yarmouth, but the accident did not occur in Yarmouth, and I deny in toto the statement that it did. While that vessel lay in Yarmouth, she lay there——

Some hon. MEMBERS: Hear, hear.

Mr. LAW: If hon. gentlemen opposite would wait until I finish my sentence; it would be better. She lay in safety while she was there. Instead of my requiring a warship to come to Yarmouth to win me an election there, as the Montreal Star puts it, I want to tell the editor of the Montreal Star that in 1908 I was returned to this House with the largest majority ever given to a member from the county of Yarmouth since Confederation; and, thanks to the magnificent policy which the Laurier Government gave us to go to the country on in September, 1911, in which was included the reciprocity agreement with the United States, the vote in the county of Yarmouth was one of the most intelligent given in any county in the Dominion of Canada. Under that policy I was returned by the magnificent majority of 1,184, three hundred more than I had in 1908. If I had a very few votes more, the gentleman who opposed me would have left $200 in the Dominion treasury, as a forfeited deposit, to add to the Laurier Government's surplus. Instead of my requiring this warship to secure my election, if hon. gentlemen opposite ask the gentleman who ran against me—and he is a man whom I respect in every way—how he felt at the conclusion of the polls on the 21st of September, 1911, when the votes had been counted, he probably would tell them that he felt as if a warship had struck him.

In conclusion, I wish to say that I am opposed to and will vote against the Government proposal as an emergency proposition, because I do not believe that any emergency exists. I will support the proposition of the right hon. the leader of the Opposition because it is based on the true Canadian idea of helping the Empire, and at the same time helping ourselves.

Mr. DAVID WARNOCK (Macleod): I am glad to have an opportunity at last of speaking on the momentous question now before the House. I have heard it stated by hon. members behind the treasury benches that Canada cannot man a navy. But, Sir, listening, as I have to almost every speech delivered on both sides of the House, I have come to the conclusion that there are more embryo admirals sitting in the Canadian House of Commons than will meet the requirements of all the navies of the British Empire for many years to come. If our German friends have any sense of humour, they must have had many a quiet laugh while reading the discourses of these would-be naval experts on naval strategy. I have no theories on naval strategy, but I do entertain convictions on what I think is Canada's duty in the matter of naval defence.

Listening as I did to the speeches of hon. gentlemen opposite, I was much impressed by the diversity of opinion prevailing among them. Some hon. members tried to lead the House to believe that the Government policy is a contribution now, to be followed later by a Canadian navy; others that the policy of the right hon. the Prime Minister is one of continued contribution; and others that it is a contribution now, and that there will be nothing further until we are given a voice in Imperial politics. It was all very edifying, and I am sorry the Prime Minister found it necessary to impose the ban of silence on his followers; but I am surprised he did not do so earlier in the debate.

I do not purpose quoting the 1910 speeches of hon. members opposite. The pages of 'Hansard' are already replete with quotations from those speeches and I agree to some extent with the hon. member for Brandon (Mr. Aikins) when he says that what hon. members said in 1909 and 1910 is of little consequence. In most cases that is true; but there are some exceptions. I believe that the right hon. the Prime Minister, then leader of the Opposition, and the Minister of Trade and Commerce (Mr. Foster) laid down sound principles in their 1910 speeches, and that those speeches are the best and most complete answer to their speeches of to-day. I am sure that both these hon. gentlemen deep down in

their hearts still believe what they said in 1910 to be true. Their words of to-day are not the words of the patriots of 1910. but are dictated by the influence of political expediency; and in departing from their principles of 1910, I believe they have made a great mistake. In my humble opinion, their policy of contribution is all wrong and will not find favour in the eye of the people of Canada.

I have said that I have no theories to offer on naval strategy; but I desire to put on record the opinions of eminent men representing both sides of politics in the United Kingdom and who are well qualified to judge correctly what is the best policy for Canada and the other overseas dominions to adopt in giving effective aid to the Empire. I quote from the speech of the Right Hon. Winston Churchill at the Shipwrights' banquet, on the eve of Mr. Borden's visit to London:

If the main development of the past ten years has been the concentration of the British fleet in decisive theatres, it seems to me—and I dare say to you not unlikely that the main development of the next ten years will be the growth of the effective naval forces in the great dominions overseas. Then we shall be able to make what we think will be found to be the true division of labour between the Mother Country and her daughter states—that we should maintain the sea supremacy against all comers at the decisive point, and that they should guard and patrol all the rest of the British Empire.

The Right Hon. Mr. Balfour, at one time leader of the Unionists in Great Britain, used this language, speaking on principles underlying true imperialism:

The people of Canada and the other overseas dominions must have and will have their feeling of nationality. Every Canadian ought to want to feel that Canada has got its own principles for the development of the future. Do not let us discourage that local patriotism. Let them cultivate their own feeling for the nationality of Canada, Canada for the Canadians, Australia for the Australians, but the whole for the Empire. It was the misconception of this principle that led to the great disruption between Britain and the American colonies a century and a half ago, and perhaps after all it required that lesson to teach us what we know.

Then, no less authority on naval matters than Lord Charles Beresford, speaking on the proposal submitted by Mr. Borden to this House, said:

I see grave danger in the Borden idea. What I recommended that the dominions do was to defend their end of the trade routes with strong naval bases, mines, torpedo boat destroyers and light cruisers. The trade routes are unprotected, and now our danger is starvation, not invasion. The country was deceived and fooled by statements regarding the dreadnoughts of other nations. They were insulted by being told that a dreadnought could sink their whole fleets. The people speak of nothing but dreadnoughts, quite forgetting that a fleet is composed of a variety of units, and one of which being defective or short, jeopardizes the whole.

In face of the statements of the eminent authorities I have just quoted, is any hon. member of this House justified in saying that those of us who are opposed to a policy of contribution and in favour of a Canadian navy are separatists?

I heard the hon. member for Frontenac (Mr. Edwards) and the hon. member for North Perth (Mr. Morphy) make the statement that the policy of the right hon. the leader of the Opposition is a separatist policy. If you will pardon a personal reference, Mr. Speaker, I may say that, born and brought up as I was on the banks of the Clyde, I descended from forefathers who fought and bled under Wallace and Bruce, my loyalty cannot be questioned when I say that I am absolutely opposed to a policy of contribution, and am in favour of the policy of my right hon. leader, that of a navy for Canada, manned and maintained by Canada. Are the British-born of Australia separatists when they elect to construct a navy as being the best means of assisting the Motherland? When they found that a policy of contribution was not the right one, they abandoned it, and are now constructing a navy of their own. Let me read an extract from the report of an interview given by Sir George Reid, ex-Premier of Australia, and now High Commissioner in London for that Commonwealth.

Our fleet is being put together. Admiral Henderson's scheme involves a very large expenditure during the next few years. When the scheme is completed there will be a fleet of about fifty-four vessels.

Just think of it—fifty-four vessels, and Australia has but half the population of Canada!

I think it is very important that the British dominions should answer the 'call of the sea.' It will be a bad day for the British race when it does not. One of the arguments in favour of colonial navies is that in days to come the dominions will undertake the defence of the seas adjacent to them, thus relieving the Mother Country immensely. I can see no reason why the North Atlantic and Pacific stations should not be handed over to Canada and the China station to India. Australia has already taken up the guardianship of the southern seas, and doubtless South Africa might develop some sort of naval force. That would leave to Great Britain the work of defence in the North sea and the Mediterranean, and of course the leading share in defending the ocean tracks of Imperial commerce. 'I think that would probably be a better arrangement than having only Admiralty fleets, and no fleets in connection with the dominions. At the rate at which the dominions are now developing such a state of things could not last. It is only natural that

communities, like individuals, should spend their money much more freely upon things which they can call their own than in buying things for the old man.

Sir George Reid was asked:

If the dominions contribute otherwise, will they not demand a large voice in the settling 'questions of foreign policy'?

To this Sir George made reply:

That question raises many matters upon which it is impossible to be dogmatic at present. Looking at things, as they stand at present, it seems to me that while it is easy to talk of sharing foreign policy between governments thousands of miles apart, it is also full of difficulty. A crisis might arise in the course of a few hours which would call for an instant decision, but if the Imperial brains are scattered all over the face of the globe, how are they to be gathered together in sufficient time to arrive at a united resolve? How are colonial statesmen, who have never been trained in diplomacy, to be expected suddenly to take a leading part in Imperial emergencies involving foreign relations? One thing is to be said about such a proposition, and that is that it is new. I myself would like some responsible statesman, instead of merely talking in this way, to suggest some definite scheme. Then we would be able to discuss the matter to some advantage. At present my profound conviction is that Australia would never dream of accepting a small part in some such scheme of Imperial control. There would be, presumably, members from Canada, South Africa, New Zealand and Australia. If the representation was arranged on the basis of population, there would be forty-five members for Great Britain, seven or eight for Canada, one for New Zealand, two for South Africa, and five for Australia. Put the whole of the dominions together, and the forty-five would still be masters of the situation. At present Australia has a national voice, which is far more influential than if she was only a humble member of an Imperial orchestra.

We should come dangerously near to getting back to the state of things which prevailed at the time of the North American rebellion in 1770. Such a parliament without powers of taxation would be rather idle. Let us suppose that a method of taxation is proposed in this Parliament which the forty-five British members think to be admirable, but which the Australians members think detestable. You would then find, if the tax was carried, that the dominions were being taxed, by a method which they would consider most objectionable. Is this the way in which we are going to promote harmony and solidarity in the Empire? I do not want to say that an Imperial Parliament is impossible, but I want to see a definite scheme which I could consider. The onus of change is so tremendous and on the other hand the present state of the Empire is something which is even miraculously harmonious.

I ask again, can anyone justify the statement that the policy of the right hon. leader of the Opposition is a separatist policy, when it is good enough for the British-born people of Australia? Such statements as those made by the hon. member for Frontenac are the height of absurdity, and should not be taken seriously, but I know that in the last election many of my countrymen—aye, and many sons of Canada—were influenced by these statements and inveigled into voting for the 'loyal Conservatives,' or remaining away from the polls. However, the people know better now, and, at the next election, which is, perhaps not far distant, the separatist cry will have little effect.

The hon. member for Brantford (Mr. Cockshutt), speaking on this question some time ago, imputed venal motives to hon. members on this side of the House because they favoured the spending of this money in Canada. If the Canadian manufacturers had been capable of producing even the semblance of a battleship, I venture to say that the hon. member would have been the last man to support a policy of contribution. He would have been one of the first to voice a vehement protest against that profit of three and a half, or four, or perhaps five or six millions, escaping the Canadian manufacturers. Even his double-ply brand of imperialism would not have withstood the strain of seeing that money leave Canada. And it remained with the hon. member for Brantford to discover a new peril. He said that in the event of the British navy being annihilated by the German navy, the United States would be the greatest naval power, and we would find the guns of that country trained on Canada. That, in my opinion, is a strong argument in favour of a Canadian navy, but, surely it is a rash and uncalled for statement just at a time when the people of the United States and the people of Canada are preparing to celebrate the one hundredth anniversary of peace between the two countries. Such statements are on a par with the imputations against Germany, are ill-judged, and likely to do much harm.

I am not one of those members who hold the opinion that a voice in the shaping of the foreign policy of Great Britain would tend to strengthen the bonds of the Empire. I entirely agree with hon. members on this side of the House who have said that preference advocates are the worst enemies of the Empire, and that Imperial preference could only lead to disruption and disintegration of the Empire. Let me quote what Lord Avebury, speaking in London some time ago, said:

Lord Avebury, who challenged in principle the idea that a system of preference would make for greater unity, said the communities did not trade with one another, it was proposed to give a preference on wheat to the Canadian producer but no suggestion has been made that timber, equally produced in Canada, though by another set of individuals, was to be the subject of preference, or wool in Australia. Timber and wool were raw materials, wheat was food; did they sup-

pose that distinction would comfort the man who produced wood in Canada or wool in Australia who found his neighbour who happened to deal in wheat, put in a more favourable position than himself? How would it be a binding force on our side if the humbler classes had to pay more for bread? Imperialism based on trade only, appealed to traders. Just consider the amount of British capital which had been supplied for the development of Canadian interests; it had been for the advantage of Canada and for our advantage. Business and politics were in antithesis. Our Canadian fellow subjects would not become Americans or Germans because they traded with the United States or because they traded with Germany. The Empire had no worse enemy than the man who said we must tax ourselves for the benefit of the Canadian people.

In this regard it would seem that the visit of the right hon. the leader of the Government and his ministers to the United Kingdom last summer has done a great deal of harm. Since that visit the impression has been growing in the minds of the people of the Old Land that some understanding was arrived at between the Prime Minister of Canada and Mr. Bonar Law, leader of the Unionist party regarding Imperial preference. The injudicious speech of Mr. Bonar Law in Sir Max Aitken's constituency strengthened this belief and Mr. Bonar Law was taken to task by his Unionist colleagues for his error of judgment. But that gentleman to save himself, promptly put the blame on Canadians, and the Prime Minister of Canada just as promptly repudiated all responsibility. But, Mr. Speaker, as the hon. member for Rouville said yesterday, there is strong circumstantial evidence that such an agreement or understanding existed. And what is the result? Hitherto Canada has been patted on the back, so to speak, and applauded as the brightest gem in the overseas group, has been paraded as the good child of the Empire until, I fear, we have been carried away and have been guilty of much self-laudation. The result is that some of the English journals have taken to telling us that we are too precocious, altogether too presumptious, and some of these journals are more candid than polite. I have here an excerpt from the Westminster Review which a friend sent me and as it will do some hon. members opposite no harm to read what is being said of us I should like to put the article on 'Hansard':

We confess ourselves unable to join in the chorus of fulsome eulogies with which the press, Liberal as well as Conservative, has hailed Mr. Borden's offer. For many years we have been growing into the habit of surrounding every Canadian action with a halo of Imperial greatness. It is a very bad habit; bad for Canada and bad for ourselves. It is bad for Canada because it has caused Canadians to imagine that their community with all its political immorality and undesirable electoral and parliamentary corruption is the chief star in the Empire troupe.

Evidently the editor of the Westminster Review had heard the details of the Macdonald election. He must be afraid that if Canadian statesmen are sent to represent Canada in the Imperial House they will contaminate our Imperial statesmen.

It is bad for ourselves because we have altogether obscured our vision of what Canada really is and what Canadians really mean.

We desire to make our position quite clear. No one who has read these notes for the past two years can doubt the vigour of our devotion to the Imperial idea. It is second only to our devotion to the real principles of imperialism. We are imperialists in the truest sense of the word because we are Liberals, because we believe that a free federation of Anglo-Saxon communities linked together for common ends would form the most powerful instrument for progress the world has ever seen.

Considered in that light, Canada is a blot on the escutcheon of the Empire. It is not Liberalism that animates her policy, but money; not love of freedom, but greed for success; not disinterested public spirit, but personal ambitions of the lower type. It is deeply regrettable that it should be so; but no one who knows Canadian politics from the inside will contest that it is so. It is natural then that we have no desire to see Canada in her present state acquire an influence in the Empire disproportionate to her position in it; it is an influence that spreads rapidly and imperceptibly. There has been too strong a flavour of Canadian politics about certain recent transactions, not only of the Opposition but even of the Government.

As to the gift itself acceptable though it is, it need not give occasion for the undignified tearful slobberings of eternal gratitude in which the press in this country has been indulging. Canada knows perfectly well that no wealthy community can exist to-day without means of self-defence; she knows that so long as Anglo-German relations are in their present state the bulk of the British fleet must be concentrated in home waters. She sees quite clearly that, under the circumstances, if she wishes to remain an independent entity she has only two alternatives: to pile up armaments on her own account, or to help the Mother Country to defend her. She has chosen the latter alternative; it is enormously cheaper and more practical. It also has the advantage of being clothed in the garb of Imperial loyalty. That is all.

Yes, Mr. Speaker, it is enormously cheaper, infinitely cheaper. As my hon. friend the member for Qu'Appelle (Mr. Thomson) said the other day, it is so cheap that we are endeavouring to pay our indebtedness to the Mother Country for defence over a long term of years at the rate of 3½ cents on the dollar—with a string on the 3½ cents.

That is what we get for interfering in

Imperial politics. Politicians and party papers in Britain show partisan bias in speaking of Canadian politics; and there is a return given in kind. One can hardly pick up a Canadian newspaper to-day without finding, if it is Liberal, that it is berating Bonar Law, Austin Chamberlain or F. E. Smith, and if it be Conservative that Earl Grey or Mr. Bryce or Premier Asquith are being roundly criticised. And so friction is developing.

But, Mr. Speaker, in the midst of turmoil it has been left to the Manitoba Grain Growers to hold out the olive branch; it has been left to them to memorialize Premier Asquith and to assure him that western farmers have no desire to benefit by the imposition of taxes on the food of the people of the Motherland. These are the western farmers who were stigmatized by the Big Interests as being annexationists, disloyal to the Empire, and desirous of handing Canada over to the United States because in 1911 they supported and voted for a trade agreement which would have been of inestimable benefit to this whole Dominion. The action of these western farmers at once stamps them as the leading patriots and true imperialists in Canada. Only yesterday I received from friends in the Old Country, from men who are well informed, letters which tell me that the action of these western farmers has done more to dispel the feeling of resentment in the Motherland than any disavowal by the Government could possibly have done. Will the Canadian Manufacturers follow the example of the western farmers and disclaim any desire to procure Imperial preference? No, Mr. Speaker, they will not; their motto is 'Preference for preference'; their so-called imperialism emanates from the pocket, not from the heart. So much for preference within the Empire.

With regard to the proposed contribution, what do our our British-born citizens think of the proposal to send $35,000,000 for the purpose of building battleships which are to be manned and maintained by our kinsmen across the sea? Do they approve of it? I do not think so. They know that such a policy must increase the burden of the British taxpayer. During the past fifteen or twenty years, hundreds of thousands of emigrants have left the shores of Britain to adopt pioneer life in Canada. Many of these settlers brought all the available family capital with them, and are expected to support or assist in supporting aged parents or other relatives in the Old Land. Many have invested every dollar they possessed in homestead improvements; they have been grievously disappointed with the small returns from the sale of their crops and now have difficulty in meeting their financial obligations. Their relatives at home know well their circumstances, and, I have reason to know, are advising these British-born settlers to demand a vote on this proposed policy of contribution, and to vote against it. Their relatives in the Old Land have no desire to see Canada send that contribution to the British Admiralty for the purpose of building superfluous battleships, and, I believe, Mr. Speaker, that if the people of the Mother Country were given an opportunity to vote for or against the acceptance of the proposed contribution it would be overwhelmingly rejected. But I may be asked, if that is so, then why has the Admiralty accepted it? Mr. Speaker, the Right Hon. Winston Churchill was well aware of the Government of Canada's position. He knew that their Nationalist allies in Quebec had pledged themselves to repeal the Laurier Naval Act, and that a contribution was all that the Government of Canada could give. And, further, Mr. Speaker, the First Lord of the Admiralty loves a demonstration; he possesses a weakness which is very evident in Canada's Conservative Government, a weakness for spectacular display; and the more spectacular it is the better he likes it. No, Mr. Speaker, a policy of contribution will not appeal to the British-born; it is too un-British, The British-born have never asked anyone to fight their battles; they are prepared to defend themselves.

And what of our German settlers, these thrifty, industrious, law abiding people who are warmly welcomed wherever they go? What do they think of all this railing at Germany by hon. members on the Government benches, this imputing of sinister motives because Germany chooses to build a navy? Has not Germany a perfect right to build a navy, just as much right as Russia, Austria, Italy, or even Great Britain herself? Why should hon. members opposite say that Germany is building her fleet for the purpose of smashing the British Empire? It is an insult to our German settlers to ask them to vote a contribution. The German jingoes tell their people that Britain is building her fleet for the purpose of attacking Germany, and so the competition is perpetuated from year to year. But, Mr. Speaker, I do not believe that any hon. member in this House will live to see the day when Great Britain and Germany will come to blows, unless such a deplorable contingency should arise through a general European conflagration. No, Mr. Speaker, I am not afraid of Germany. I am more inclined to agree with Sir Richard McBride, Premier of British Columbia, when he points to a menace on our Pacific coast. Speaking in the provincial Legislature a few days ago, he, good party man that he is, endorsed the contribution policy

but went on to point out the necessity for adequate naval protection on the Pacific coast. I will read a paragraph of his speech as reported in one of the British Columbia papers. Dealing with the question of naval protection for the Canada Pacific coast, he said:

Every day is pointing out to the world the rich variety of our resources and the magnitude of our potentialities as a great nation of the future, while across the sea that wonderful people, the Japanese—and the Chinese as well—are intensely engaged nation-building. They cannot but be interested in the great resources and potentialities of this land.

They are not to be blamed if they take more than a healthy interest in this part of Canada, and if in an unguarded hour the naval forces of those countries or either of them should cross the seas, and take possession of some of our so-desirable territory, we in Canada have ourselves to blame.

Surely that is a strong argument for the construction of a Canadian navy for the defence of our own shores.

Mr. Speaker, there may be much truth in Sir Richard McBride's warning, and it may be that in ten, fifteen or twenty years Canada's greatest menace will be on the Pacific coast. We know that Japan is already a naval power not to be ignored. She demonstrated that against Russia a few years ago and she is rapidly expanding that naval power. I think it behooves Canada to endeavour to meet the wishes of Australia and New Zealand, come to some agreement with these sister dominions and join hands with them in patrolling Pacific waters for the protection of our Pacific shores.

Under these circumstances I am surprised that we have not heard more from hon. members from British Columbia . There are seven hon. members from British Columbia in this House, yet only one has spoken, the hon. member for Vancouver (Mr. Stevens) and he is opposed to a Canadian navy. He has told us that men could not be got in British Columbia or Canada to man a navy. But, the hon. gentleman's provincial Premier does not harbour any misgivings on that point and I am sure that if he had been a member of this House he would have voiced a strong and convincing argument in favour of a Canadian navy. Of what value would Canada's three dreadnoughts in the North sea be to British Columbia if the Japanese or Chinese navies began dropping shells into Vancouver or Victoria, or Nanaimo, just by way of acknowledging the many more or less complimentary things said of them by hon. members from British Columbia? I think there would be considerable consternation in these cities and the inhabitants would have to dance to Japanese music.

I have said nothing of the emergency. In my humble opinion the so-called emergency is a myth, a figment of the be-fuddled imaginations of club idlers in London, England, and, I am sorry to say, in Montreal and Toronto. The hon. Minister of Trade and Commerce (Mr. Foster) abandoned that cry, he even abandoned the need and in his efforts to defend the contribution policy, fell back upon confidential information given to the right hon. the leader of the Government. But, Mr. Speaker, against that confidential information, we have the statement of the Right Hon. Winston Churchill who when addressing his constituents only a few days ago told the good people of Dundee, that there is no emergency, no need, that Great Britain is ready and able to defend her supremacy and that neither the people of the Motherland nor the people of the overseas dominions need have fear of that supremacy being challenged. For myself I accept the assurance of the First Lord of the Admiralty.

As one of the British-born, I am unalterably opposed to the proposed contribution for the following reasons:—

1st. It will add to the already heavy burden of the British taxpayer by compelling him to man and maintain three superfluous battleships, but yet leaves the shores of Canada defenceless.

2nd. It is humiliating for Canada to hold up the Motherland and say we will give a contribution of thirty-five millions but nothing more until we are given a voice in Imperial affairs.

3rd. The best authorities are agreed that Canada's duty is to defend her own shores and thereby leave the Motherland free to concentrate her fleet in the North sea.

4th. The Government have no right to ask Parliament to vote this contribution until they have disclosed their permanent policy and assured the people that Canada is not to be plunged into the mad race for armament which prevails in Europe.

I believe the great majority of the people of Canada are opposed to this contribution. Organized labour is against it, the Grange of Ontario, the Grain Growers of Manitoba and Saskatchewan, the United Farmers of Alberta, and the majority of religious denominations are against it. I should like to read for the benefit of hon. members opposite, some paragraphs from a resolution, passed by the Presbytery of Vancouver a short time ago, a copy of which resolution, I understand, was sent to the right hon. the First Minister. The portion which I propose to quote reads as follows:

(2) That the Parliament of Canada should approach the President and Congress of the United States, looking toward joint action in making overtures to the European nations, to call at once a council of their representatives to consider afresh their international relations. This council should proceed with an exhaustive investigation of the causes of of the present situation, and should honestly

and earnestly seek to find some method of adjusting international differences more in harmony with the spirit of modern civilization, and recognizing the fact that the ties that bind all peoples into one world family are now so many and so intricate that no two nations can even prepare for war without seriously affecting all others. The refusal of any European nation to enter such a conference, being an unfriendly act, may be followed by economic penalties, such as the surtax on its commerce with the United States and Canada.

(3) That it be arranged by the United States and Canada that as soon as an understanding has been arrived at between European powers, they will call a council representing the world's powers to establish a permanent court for the settlement of international disputes by reason and righteousness, and not by blind passion and brute force.

There are a great many people—perhaps a majority of the people of Canada—who would welcome the expenditure of a portion of this $35,000,000 for the purpose of bringing about a great international peace movement. I would commend this resolution of the Vancouver Presbyterians to the consideration of the Government.

There is need, urgent need, but that need is not in the Motherland. It is here in Canada, and it is the need of a commonsense business policy of better trade relations with our neighbours to the South, and need for a national spirit of pride in a policy of a reasonable amount of defence of our own shores. I am sorry that there appears to be a lack of interest among the people regarding naval policies and more particularly in the prairie provinces.

The Conservative party of Canada, assisted by the 'Big Interests,' attained some success in stampeding the people in 1911. If the Conservative Government of to-day think that with the assistance of European manufacturers of munitions of war, and the assistance of itinerant jingoes from the United Kingdom, they can again stampede the people, then let them give the various provinces the representation to which they are entitled, appeal to the country, and let the people decide.

Rt. Hon. Sir WILFRID LAURIER: I do not rise with the intention of adding anything to the general discussion which has taken place on the motion now before the House. There has been an agreement between the two whips that the resolution, concurrence in which is now sought, would be disposed of this day, and we intend to stick by that agreement. I would not rise at all were it not for the fact that a new element has been introduced by the sub-amendment moved by the hon. member for Maisonneuve (Mr. Verville). This sub-amendment is:

Mr. Verville moved in amendment to the proposed amendment, that the following words be added at the end thereof:—'and the consent of Parliament should not be given to this resolution until it has been submitted to and received the approval of the electors.'

I do not know if I rightly appreciate the tenor of the remarks which were offered this afternoon to the House by my hon. friend from Nicolet (Mr. Lamarche). If I understand him aright, he stated that in his opinion that sub-amendment would cover the resolution moved by the right hon. the Prime Minister, but would not cover the amendment moved by me. It seems to me obvious that this amendment was meant to cover the resolution which is now before the House, whether it is voted as it is proposed to amend it or whether it is voted without the amendment. At all events, that is the way I interpret the view of my hon. friend from Maisonneuve. As to the amendment of my hon. friend, it seems to me it is one which the Government cannot refuse, and which they are bound by their pledges before the election, made more than once in this House, to accept now.

The question of the creation of a Canadian navy is as old as Confederation itself. The idea of the creation of a Canadian navy was introduced into the first Militia Bill which was adopted by this House in 1868, under the leadership of Sir George Etienne Cartier, The question was also taken up in the Imperial conference which sat in London in 1902, on which occasion the Canadian ministers, myself and some of my colleagues, laid before the conference a state paper from which I quote:

At present Canadian expenditures for defence services are confined to the military side. The Canadian Government are prepared to consider the naval side of defence as well. On the sea coasts of Canada there is a large number of men admirably qualified to form a naval reserve, and it is hoped that at an early day a system may be devised which will lead to the training of these men and to the making of their services available for defence in time of need.

In conclusion, the ministers repeat that, while the Canadian Government are obliged to dissent from the measures proposed, they fully appreciate the obligation of the Dominion to make expenditures for the purpose of defence in proportion to the increasing population and wealth of the country. They are willing that these expenditures shall be so directed as to relieve the taxpayer of the Mother Country from some of the burdens which he now bears; and they have the strongest desire to carry out their defence schemes in co-operation with the Imperial authorities, and under the advice of experienced Imperial officers, so far as this is consistent with the principle of local self-government, which has proved so great a factor in the promotion of Imperial unity.

This document has been before the Canadian people since 1902. The views which are therein expressed were never to my

knowledge challenged in this House nor anywhere else. They came before this House in a concrete form in March, 1909; and at that time, as is well known—I will not refer to it except to enable me to bring out the argument I want to make—a resolution was unanimously adopted affirming that the time had come for the creation of a Canadian navy. I confess it did not occur to me then, nor did it occur to anybody, that the idea which had been so long before the Canadian people, which had been set forth in Acts of Parliament, and which had been reaffirmed by the statement I made on behalf of the Canadian people at the Imperial conference, need to be submitted to the people. All parties held that view at the time; no one in 1909 expresed the view that the policy which was then adopted by the Canadian Parliament should be referred to the people. But there came upon the other side of the House a change of heart and a change of tongue, and it was decided as party tactics that there should be a demand that that policy should be referred to the electors.

I know what my right hon. friend the Prime Minister will answer. He will probably tell me that he anticipated this very motion of my hon. friend from Maisonneuve in the speech with which he introduced the present measure, on the 5th of December last, when he recalled that in a previous speech of his he had stated that he would confer with the Imperial authorities, and, after having conferred with them, would submit his measure to Parliament, and if it were defeated by Parliament, he would then submit it to the people. But in answer to this I have to say that my right hon. friend made more than one declaration upon this very subject, and that he has pledged himself before this House that no measure of this kind should be submitted to Parliament until it had been submitted to the people themselves. At the opening of the session of 1910-11, the debate on the address, the hon. member for Jacques Cartier (Mr. Monk) moved the following amendment to the Address:

> **The House regrets that the Speech from the** Throne gives no indication whatever of the intention of the Government to consult the people on its naval policy, and, second, question of the contribution of Canada to Imperial armaments.

Mark the words. Two ideas are there set forth by the hon. member for Jacques Cartier as to which regret was expressed first, that the Government did not consult the people on its naval polciy, and, second, that it did not consult the people on the general question of contribution by Canada. Two days after, my right hon. friend, then leader of the Opposition, moved an amendment to this amendment, in these terms:

> We beg to assure Your Excellency of the unalterable attachment and devotion of the people of Canada to the British Crown and of their desire and intention to fulfill all just responsibilities devolving upon this country as one of the nations of the Empire. We desire, however, to express our regret that Your Excellency's gracious speech gives no indication whatever of any intention on the part of Your Excellency's advisers to consult the people on the naval policy of Canada.

You will notice that this amendment eliminates one of the two propositions of the hon. member for Jacques Cartier (Mr. Monk). The hon. member for Jacques Cartier wanted the people to be consulted. not only upon the naval policy but upon the general question of contribution to Imperial armanents, whereas the amendment of my right hon. friend eliminates the question of contribution to armaments, and limits the question to the naval policy only. That amendment was submitted to Parliament and was defeated, the whole Conservative party with the exception of the member for Jacques Cartier voting for it. This amendment being eliminated, there came before the House the amendment of the member for Jacques Cartier embodying in its turn the desire for a reference to the people not only on the question of contribution to Imperial armaments. On that resolution, my right hon. friend and his party with the exception of two or three members, all I believe, from the city of Toronto, adopted the view expressed in the amendment of the member for Jacques Cartier. That was in the month of November, 1910. The elections came on shortly afterwards, and each party went before the country with its policy. My right hon. friend went before the electors, pledged by his vote on the amendment of the member for Jacques Cartier, that we should consult the Canadian people not only upon the question of the navy but upon the question of contribution to armaments. I need not recall the fact that my right hon. friend triumphed on that occasion. It was his policy which was adopted by the Canadian people. It was not the policy which I had advocated, which had been supported at one time by my right hon. friend, but it was the policy which he had later adopted, and which was the last policy which had been before the people, and which was approved of by the people. In the face of such a condition of things, can my right hon. friend refuse to accept the amendment of the hon. member for Maisonneuve (Mr. Verville). If the words and the pledges of men, when they are before the electors, mean anything, it seems to me that on the present occasion we have the right to expect that the policy which my right hon. friend laid before the people and on which he triumphed, is the policy which he must adopt at the present

time; and that to depart from it would be a breach of faith with the electorate. The defeat I have accepted already; the people have decided in favour of the views of my right hon. friend; and it seems to me that there is nothing for this House to do but to carry out the pledges given to the electors.

Rt. Hon. R. L. BORDEN (Prime Minister): Mr. Speaker, I am sure we are all very much indebted to my right hon. friend for the lecture which he has just delivered upon the extreme desirability of public men fulfilling their pledges. We appreciate the great significance of a lecture from my right hon. friend in that regard more than we would a lecture from any other source. I shall not go over ancient history in respect of certain pledges that were made between 1887, when my right hon. friend assumed the leadership of his party, and the year 1896, and as to their fulfilment thence up to 1911, when he went out of power. If I desired to occupy the time of the House in a little review as to the extent to which these pledges were fulfilled, I am sure that every hon. member on this side of the House would be at once constrained to say that a lecture from so authoritative a source must be taken to heart by every member on this side of the House.

My right hon. friend seems disposed upon this question, although he has not made it very plain, to accept the leadership of the hon. member for Maisonneuve (Mr. Verville), and to declare to the House that his own resolution by way of amendment was not the proper resolution, but that it should have had embodied in it the clause which has been moved by the hon. member for Maisonneuve. He did not make himself very clear on that point, just as on some other occasions he had retired within the lines of Torres Vedras.

I should like to remind the right hon. gentleman that in the very speech, delivered on the occasion which he has brought to the attention of the House, I stated that we would undertake precisely and exactly the policy that we have carried out, and that we propose to carry out with this resolution; and no one knows that better than my right hon. friend himself. On that very occasion to which the right hon. gentleman has alluded, I said that if we came into power we would go to the British Government and to the Admiralty; we would endeavour to obtain from them a plain, unvarnished statement as to what were the needs of naval defence of the Empire; and if the answer which we received expressed urgency, emergency, or need, we would come to the Parliament of Canada and ask Parliament to do Canada's fair share in providing for that need. We have taken that course; but my right hon. friend says that we are pledged, in respect of that course, to first seek the mandate of the people of Canada. Does the right hon. gentleman remember that when the question of a permanent policy involving the destiny of this country for all time to come was before this Parliament, it was urged by the hon. member for Jacques Cartier (Mr. Monk) that that question should first be referred to the people of this country for their mandate? What was the answer of the right hon. gentleman? His answer was that there was absolutely no need of submitting that question of a permanent policy to the people of Canada for their voice and opinion thereon. And now, without precisely stating that he will vote for the amendment offered in opposition to his own resolution, he ventures to suggest that we ought to support something which he himself is apparently afraid to support. I would like to tell my right hon. friend and the House that we do not propose to do anything of the kind. I would tell him further, if he has forgotten it—for his memory seems to be somewhat defective in this regard—that on the third day of February, 1910, I moved in this House a resolution so plain that any man might understand it, declaring, in terms as clear as the English language could make them, that a proposal of this kind was not, in our opinion, one which should be submitted to the mandate of the people of Canada. My right hon. friend smiles at that. If he had been quite as easily amused a few moments ago he would, with regard to some of his own suggestions, have been laughing all the time he was on his feet. Let me read the resolution I have referred to:

> The proposals of the Government do not follow the suggestions and recommendations of the Admiralty, and, in so far as they empower the Government to withhold the naval forces of Canada from those of the Empire in time of war, are ill-advised and dangerous.

I said the same thing during the last election campaign when that question was before the people of Canada:

> That no such proposals can safely be accepted unless they thoroughly ensure unity of organization and of action, without which there can be no effective co-operation in any common scheme of Empire defence.
>
> That the said proposals, while necessitating heavy outlay for construction and maintenance, will give no immediate or effective aid to the Empire and no adequate or satisfactory results to Canada.
>
> That no permanent policy should be entered upon involving large future expenditures of this character until it has been submitted to the people and has received their approval.
>
> That in the meantime the immediate duty of Canada and the impending necessities of the Empire can best be discharged and met by placing without delay at the disposal of the Imperial authorities as a free and loyal

contribution from the people of Canada, such an amount as may be sufficient to purchase or construct two battleships or armoured cruisers of the latest dreadnought type, giving to the Admiralty full discretion to expend the said sum at such time and for such purposes of naval defence as in their judgment may best serve to increase the united strength of the Empire and thus assure its peace and security.

That was the motion which was proposed and voted for in this House on the date I have mentioned, and the course proposed by the Government to-day—the resolution upon which this House will shortly be called to vote—is exactly in accordance, in the first place, with the declaration I made in November, and in the second place, with the resolution I have just read.

My right hon. friend has proposed an amendment, and the hon. member for Maisonneuve has offered a sub-amendment. I do not intend to discuss these to-night at any length; but I simply desire to assert our belief that the expenditure of this sum of money, in accordance with the facts stated and in accordance with the views expressed by the Admiralty, is a step which the people of Canada are at the present time called upon to take in token of their self-respect, and in testimony of the fact that they are determined that the ties which unite this country to the Empire shall not be broken. The amendment of my right hon. friend, as I understand it, is to the effect that the sum of $35,000,000 shall be expended, but that it shall be used in the organization of a Canadian navy by means of ships to be built and manned in this country. Later on in this debate, but not to-night, I shall be in a position to give my right hon. friend some information as to what his proposal, as far as time is concerned, really means. I recollect very well that during the debate of 1910 my right hon. friend expressed the opinion that the ships which he proposed to construct could be built in Canada within about a year, and my right hon. friend may be under some similar hallucination with regard to the time within which the ships proposed by his amendment could be built in this country. I want to say to my right hon. friend, and to hon. gentlemen on the other side of the House, that those who talk very glibly—I use the term without any desire to be disrespectful—regarding matters which they have not, perhaps, studied very carefully in connection with naval organization, the establishment of great shipyards, and the building of huge dreadnoughts, are speaking, to some extent at least, without, perhaps, a full knowledge of the facts. Later on I shall be able to give them some information which will make good what I am now stating. I venture to say that the proposition of the right hon. gentleman would practically mean an almost indefinite postponement of any effective aid to the Empire. We have at present no naval organization whatever, and other countries, which have had at least the semblance of a naval organization have found it very difficult indeed, and an exceedingly costly and tedious process to build up any such organization as my right hon. friend proposes.

My hon. friend speaks of manning these ships in Canada. No one in Canada would for one moment deny that the Canadian people possess as true a desire to fight in the defence of their country and the Empire as is possessed by the people of the British Isles or any of the great dominions of this Empire. Everybody knows that. But we know that in a new country like this, a rapidly developing country where there are all kinds of attractions for the energies of men, you cannot possibly expect that men will be attracted to a naval service in the same way as they are in an old and thickly populated country like Great Britain; and it is no discredit to the people of Canada, and no discredit to my right hon. friend, that during the years in which the Liberal Government were endeavouring to secure men for the naval service in this country, and to train them as they must be trained for many years before they can properly perform their duties, their efforts were so slightly successful as they have proved to be by the records already adduced to this House. And when the right hon. gentleman says, in the first place, that we are to do nothing until we can build ships ourselves, and, in the second place, that we are to do nothing until we can train men and have them ready to man these ships, he is not seized with an adequate conception of the situation, and he does not seem to be inspired by a sincere desire to do something at the moment of need and urgency.

What, after all, have we been discussing in this House for the last ten days or two weeks? A proposal on the one hand that $35,000,000 shall be expended for the great purpose set forth in the resolution; a proposal on the other hand that $35,000,000 and a very large additional sum shall be expended in the upbuilding of a naval organization and in the maintenance of these ships—in their maintenance at a much greater cost than that at which they can be maintained under our policy. These are the two proposals.

But there is something else to be said, namely, that the proposals of the Government are not, as hon. gentlemen on the other side of the House have said they were, that we should hand over $35,000,000 to the British Government or the British Admiralty to

expend. Certain hon. gentlemen on the other side of the House do not seem to have read the resolution which we are considering. We propose that that sum of money shall be expended by the Government of Canada, although any man who realizes the conditions must also realize the eminent wisdom of seeking in the proper expenditure of that money the very best expert assistance that can be procured in the world. The expert assistance we believe we can find in the British Admiralty and we propose to find it there if this measure passes the House. We do not propose that those ships shall pass out of the ownership of the Canadian people or Government. It has been many times unwarrantably repeated in this debate that such was our proposal. Our proposal is that those ships shall be in the ownership of the Canadian people, but that they shall stand and be used for the common defence of this Empire of which Canada forms a part; and, further than that, if at any time the Canadian people desire to create a naval organization of their own, these ships shall be subject to recall by the people of Canada through their Parliament and through their Government, subject always to the most reasonable proviso, that they shall not be recalled from any important theatre, where the whole existence of the Empire might be at stake, without reasonable notice to the British Government and Admiralty. That is our proposal. We say that we do not believe that the people of Canada desire to have this measure submitted to them. We say that everything that is in this measure has already been submitted to the people of Canada before the last general election, and that the people of Canada pronounced upon that question with no uncertain voice when they gave the verdict that they did give on the 21st day of September, 1911:

House divided on the motion of Mr. Verville, in amendment to the proposed amendment.

'That the following words be added at the end thereof:—' and the consent of Parliament should not be given to this resolution until it has been submitted to and received the approval of the electors.'

YEAS:

Messieurs

Béland,
Boivin,
Bourassa,
Boyer,
Brouillard,
Brown,
Buchanan,
Cardin,
Carroll,
Carvell,
Champagne,
Charlton,
Chisholm (Antigonish),
Chisholm (Inverness),
Clark (Red Deer),
Cruise,
Demers,
Devlin,
Douglas
Emmerson,
Ethier,
Fortier,
Gauthier (St. Hyacinthe),
Gauvreau,
German,
Graham,
Guthrie,
Hughes (King's, P.E.I.),
Kay,
Knowles,
Kyte,
Lachance,
Lafortune,
Lanctôt,
Lapointe, (Kamouraska),
Laurier (Sir Wilfrid),
Law,
Lemieux,
Loggie,
Lovell,
MacNutt,
McCraney,
McCoig,
McCrea,
McKenzie,
McMillan,
Marcil (Bonaventure),
Marcile (Bagot),
Martin (Montreal,
St. Mary's),
Martin (Regina),
Michaud,
Molloy,
Murphy,
Nesbitt,
Neely,
Oliver,
Pacaud,
Papineau,
Pardee,
Power,
Proulx,
Pugsley,
Reid (Restigouche),
Richards,
Robb,
Ross,
Seguin,
Sinclair,
Thomson (Qu'Appelle),
Turgeon,
Turriff,
Verville,
Warnock,
White (Victoria, Alta.), and
Wilson (Laval).—75.

NAYS:

Messieurs

Achim,
Aikins,
Alguire,
Ames,
Armstrong (Lambton),
Armstrong (York, O.)
Arthurs,
Baker,
Ball,
Barker,
Barnard,
Barrette,
Beattie,
Bellemare,
Bennett (Calgary),
Bennett (Simcoe),
Best,
Blain,
Blondin,
Borden,
Boulay,
Bowman,
Boyce,
Boys,
Brabazon,
Bradbury,
Bristol,
Broder,
Burnham,
Burrell,
Carrick,
Clark (Bruce),
Clarke (Wellington),
Clements,
Cochrane,
Cockshutt,
Coderre,
Crocket,
Cromwell,
Crothers,
Currie,
Davidson,
Doherty,
Donnelly,
Edwards,
Elliot,
Lamarche,
Lancaster,
Lavallée,
Lesperance,
Lewis,
Macdonell,
Maclean (York, O.),
McKay,
McLean (Queens, P.E.I.),
McLean (Sunbury),
Meighen,
Merner,
Middlebro,
Mondou,
Morphy,
Morrison,
Munson,
Nantel,
Nicholson,
Nickle,
Northrup,
Osler (Sir Edmund),
Paquet,
Paul,
Pelletier,
Perley,
Porter,
Rainville,
Reid (Grenville),
Rhodes,
Robidoux,
Roche,
Rogers,
Schaffner,
Sevigny,
Sexsmith,
Sharpe (Lisgar),
Sharpe (Ontario),
Shepherd,
Smith,
Smyth,
Stanfield,
Steele,
Stevens,
Stewart (Lunenburg),

Fisher,	Stewart (Hamilton),
Forget (Sir Rodolphe),	Sutherland,
Foster (King's, N.S.),	Taylor,
Fripp,	Thoburn,
Garland,	Thompson (Yukon),
Girard,	Thornton,
Green,	Tremain,
Guilbault,	Walker,
Hartt,	Wallace,
Hazen,	Webster,
Henderson,	Weichel,
Hepburn,	White (Leeds),
Hughes (Victoria, O.),	White (Renfrew),
Jameson,	Wilson
Kemp,	(Wentworth), and
Lalor,	Wright.—122.

PAIRS:

Messieurs

Ministerial.	Opposition.
Foster (Hon. G. E.),	Bickerdike,
Haggart,	Gordon,
Elson,	Tobin,
Monk,	Delisle,
McCurdy,	Maclean (Halifax),
Clare,	Cash,
Wilcox,	Macdonald (Pictou),
Fowler,	Bureau,
Marshall,	Clarke (Essex),
Chabot,	Lapointe (Montreal).

Amendment to amendment negatived.

House divided on the proposed amendment of Sir Wilfrid Laurier:

That all the words after the word 'That' be struck out, and the following be substituted therefor:—

'This House declines to concur in the said resolution and orders that the same be referred back to the committee with instructions to amend the same in the following particulars, namely, to strike out all the words after clause (a) and substitute therefor the following:

'The memorandum prepared by the Board of Admiralty on the general naval situation of the Empire and communicated to this House by the right hon. the Prime Minister on December 5 shows that several of the most important of the foreign powers have adopted a definite policy of rapidly increasing the naval strength.

That this condition has compelled the United Kingdom to concentrate its naval forces in home waters involving the withdrawal of ships from the outlying portions of the Empire.

'That such withdrawal renders it necessary that Canada without further delay should enter actively upon a permanent policy of naval defence.

'That any measure of Canadian aid to Imperial naval defence which does not employ a permanent policy of participation by ships owned, manned and maintained by Canada and contemplating construction as soon as possible in Canada, is not an adequate or satisfactory expression of the aspirations of the Canadian people in regard to naval defence, and is not an assumption by Canada of her fair share in the maintenance of the naval strength of the Empire.

'This House regrets to learn the intention of the Government to indefinitely postpone the carrying out by Canada of a permanent naval policy.

'It is the opinion of this House that measures should be taken at the present session to give effect actively and speedily to the permanent naval policy embodied in the Naval Service Act of 1910 passed pursuant to the resolution unanimously approved by this House in March, 1909.

'This House is further of the opinion that to increase the power and mobility of the Imperial navy by the addition by Canada under the above Act of two fleet units, to be stationed on the Atlantic and Pacific coasts of Canada, respectively, rather than by a contribution of money or ships, is the policy best calculated to afford relief to the United Kingdom in respect to the burden of Imperial naval defence, and in the words of the Admiralty memorandum, to restore greater freedom to the movements of the British squadrons in every sea and directly promote the security of the dominions; and that the Government of Canada should take such steps as shall lead to the accomplishment of this purpose as speedily as possible.'

YEAS:

Messieurs

Béland,	Lemieux,
Boivin,	Loggie,
Bourassa,	Lovell,
Boyer,	MacNutt,
Brouillard,	McCraney,
Brown,	McCoig,
Buchanan,	McCrea,
Cardin,	McKenzie,
Carroll,	McMillan,
Carvell,	Marcil (Bonaventure),
Champagne,	Marcile (Bagot),
Charlton,	Martin (Montreal),
Chisholm (Antigonish),	St. Mary's),
Chisholm (Inverness),	Martin (Regina),
Clark (Red Deer),	Michaud,
Cruise,	Molloy,
Demers,	Murphy,
Devlin,	Nesbitt,
Douglas	Neely,
Emmerson,	Oliver,
Ethier,	Pacaud,
Fortier,	Papineau,
Gauthier	Pardee,
(St. Hyacinthe).	Power,
Gauvreau,	Proulx,
German,	Pugsley,
Graham,	Reid (Restigouche),
Guthrie,	Richards,
Hughes	Robb,
(King's, P.E.I.),	Ross,
Kay,	Seguin,
Knowles,	Sinclair,
Kyte,	Thomson (Qu'Appelle)
Lachance,	Turgeon,
Lafortune,	Turriff,
Lanctôt,	Verville,
Lapointe,	Warnock,
(Kamouraska),	White (Victoria,
Laurier (Sir Wilfrid),	Alta.), and
Law,	Wilson (Laval).—75

NAYS:

Messieurs

Achim,	Lamarche,
Aikins.	Lancaster,

Alguire,
Ames,
Armstrong (Lambton),
Armstrong (York, O.),
Arthurs,
Baker,
Ball,
Barker,
Barnard,
Barrette,
Beattie,
Bellemare,
Bennett (Calgary),
Bennett (Simcoe),
Best,
Blain,
Blondin,
Borden,
Boulay,
Bowman,
Boyce,
Boys,
Brabazon,
Bradbury,
Bristol,
Broder,
Burnham,
Burrell,
Carrick,
Clark (Bruce),
Clarke (Wellington),
Clements,
Cochrane,
Cockshutt,
Coderre,
Crocket,
Cromwell,
Crothers,
Currie,
Davidson,
Doherty,
Donnelly,
Edwards,
Elliot,
Fisher,
Forget (Sir Rodolphe),
Foster (King's, N.S.),
Fripp,
Garland,
Girard,
Green,
Guilbault,
Hartt,
Hazen,
Henderson,
Hepburn,
Hughes (Victoria, O.),
Jameson,
Kemp,
Lalor,
Lavallée,
Lesperance,
Lewis,
Macdonell,
Maclean (York, O.),
McKay,
McLean (Queen's, P.E.I.),
McLean (Sunbury),
Meighen,
Merner,
Middlebro,
Mondou,
Morphy,
Morrison,
Munson,
Nantel,
Nicholson,
Nickle,
Northrup,
Osler (Sir Edmund),
Paquet,
Paul,
Pelletier,
Perley,
Porter,
Rainville,
Reid (Grenville),
Rhodes,
Robidoux,
Roche,
Rogers,
Schaffner,
Sevigny,
Sexsmith,
Sharpe (Lisgar),
Sharpe (Ontario),
Shepherd,
Smith,
Smyth,
Stanfield,
Steele,
Stevens,
Stewart (Hamilton),
Stewart (Lunenburg),
Sutherland,
Taylor,
Thoburn,
Thompson (Yukon),
Thornton,
Tremain,
Walker,
Wallace,
Webster,
Weichel,
White (Leeds),
White (Renfrew),
Wilson (Wentworth), and
Wright.—122.

PAIRS:

Messieurs

Ministerial.	Opposition.
Foster, (Hon. G. E.),	Bickerdike,
Haggart,	Gordon,
Elson,	Tobin,
Monk,	Maclean (Halifax)
McCurdy,	MacLean, A. K., (Halifax),
Clare,	Cash,
Wilcox,	Macdonald (Pictou),
Fowler,	Bureau,
Marshall,	Clarke (Essex),
Chabot,	Lapointe (Montreal),

Amendment (Sir Wilfrid Laurier) negatived.

Mr. A. A. MONDOU (Yamaska) moved in amendment:

This House, while prepared to adopt effective measures for the protection of the territory of Canada, declines to concur in the said resolution because it contains provisions tending to impose upon Canada, which has no voice in Imperial affairs, a share in the external responsibility and the naval defence of the Empire outside of the Canadian territory, the only portion of the Empire over which the Canadian people may exercise any political or constitutional authority.

He said: Mr. Speaker, this amendment does not differ substantially from the one I submitted to this House while discussing the address, and as the majority of the House are not familiar with the French language, I intend to reiterate in the English language the remarks I made in French, when it was first moved. As the procedure on the present resolution authorizes me to do so, I will supplement the remarks which I made in my speech on the Address as much as possible and as shortly as possible, in order not to waste, uselessly, the time of this House.

The present resolution, as of course every member of this House is aware, while calling for a vote of $35,000,000, deals with a question of a more far reaching importance than a vote for a certain amount of money, however large may be the amount involved. It deals with the constitutional relations existing between Canada and the United Kingdom of Great Britain, and one cannot properly deal with this question without knowing first what these constitutional relations have been in the past, one hundred and fifty years or since Canada has become a colony under the British Crown. What was the administration of this colony at first? It was exercised by military officers and irresponsible officials, but this administration, failing to give satisfaction to the Canadians, whether French or English, they joined their efforts in order to obtain from England a system of self government. That page of our Canadian history has always been and will forever be a glorious one indeed. It teaches that Canada was the first English colony to secure for itself responsible government. The question of ascertaining what was the nature of our constitutional relations was first raised under the McNab-Taché Administration, and during the Crimea war in 1855. The Imperial Government, if it may be so called at the time referred to, had requested Canada to send soldiers and troops to take part in this war. This request was categorically rejected by the Administration which I have just mentioned. A few years later, Sir George E.

Cartier introduced a Canadian Militia Bill in order to organize a Canadian system of defence on land. The principles set forth in that measure were, as much as possible, in compliance with some of the letters addressed to the then Governor of Canada by the Secretary of War and Colonies under the administration of Lafontaine, in 1862. Such is the importance of these documents that I cannot refrain from reading to the House a few extracts therefrom:

Canada (as also the other provinces of British North America) enjoys as fully as possible the advantages of autonomy in its own affairs. The Government realizes that these advantages carry with them similar responsibilities and that the time has come for the Canadian people to assume a larger part than previously, of the expense incurred from that source, and for their own advantage.

Mr. MARTIN (Montreal, St. Mary's): Mr. Speaker, I rise to a point of order. I want to know if the hon. member (Mr. Mondou) is reading his speech.

Some hon. MEMBERS: Oh.

An hon. MEMBER: Members on your side read their speeches to-night.

Mr. SPEAKER: If the hon. member (Mr. Mondou) is reading his speech it will be out of order. I have not been watching him particularly.

Mr. MONDOU: I was quoting.

Some hon. MEMBERS: Go on, go on.

Mr. MONDOU: I would also refer my honourable colleagues, for further information, to the sessional documents of 1871, vol. 4, No. 46. Moreover, the above doctrine was often reaffirmed and never denied. The duty of national defence was always accepted by the Canadian people, even in some circumstances where our wars could have been attributable solely to British diplomacy.

Pursuant to the historical part of the question, I may say that the above Militia Bill, as submitted by the Government of Cartier and McDonald, was defeated on its second reading, which fact determined an appeal to the people, and the Cabinet of John Sanfield Macdonald and Sicotte was called to office after the general elections. The new administration introduced another Militia Bill, but based on the same principle, and Parliament assented to it. It was after the adoption of that Bill, which was considered by the Imperial government as not affording an adequate system of national defence, that the Duke of Newcastle, then Secretary of War and Colonies, in a despatch addressed to the Governor General of Canada, on August 21, 1862, requested the Government of Canada to form a more efficient military organization, enabling Canada to call 50,000 men under arms, and especially to pass a Bill providing for the maintenance of same during five years, without requiring the annual advice and consent of Parliament. The manly way in which the Canadian Statesmen have answered the above message deserves special mention and can be considered fully as representing the aspirations of the Canadian people at the time. May I be permitted to quote the answer itself. I read the French version:

We feel that, confronted as we are with a question which so deeply affects the present and future welfare of the province, all arrangements based only upon sentiment or upon a plan where the rights and the interests of the people would not be recognized, should be avoided.

* * * *

Another proposition contained in the despatch of His Grace (the Duke of Newcastle) is very apt to cause surprise. The councillors of Your Excellency mean that part of the despatch in which His Grace proposes to withdraw from the domain of parliament the control of the funds required for military purposes. His Grace knows evidently that this proposition looks like an encroachment upon the privileges of the representation of the people, and surely no measure susceptible of being thus construed shall ever be and must not be accepted by a people who have inherited the liberties warranted by the British institutions. The Imperial parliament retains with a jealous care the means of maintaining the effective military and naval force of the Empire. Its estimates are voted annually, and even the most powerful minister has never dared propose to the House of Commons that they should give up their controlling power for a period of five years. If the disturbing action of ordinary politics is a valid reason for depriving parliament of the final direction of military preparatives, this should apply as well in England as in Canada. That which the House of Commons would never admit even in time of danger, would probably not be admitted by the legislature of Canada. Whatever may be the evils inherent to representative institutions, the people of a British province will never forget that they are inoffensive as compared with those which are inseparable from arbitrary power. The people's liberties are in safety but when the action of the people restrains and guides the policy of those who are vested with the power of governing the affairs of the country. They are sheltered from military despotism which a corrupt government may make use of but when it has in hand the means of distributing as he likes the subsidies required for the maintainance of the military organization.

His Grace the Secretary of State for the colonies proposes a union in view of the defence, a union of the provinces forming part of the British possessions in North America, for the formation and the maintainance of a uniform system of military organization and instruction, having a common defence fund, and approved of by Her Majesty's govern-

ment ,a union of details of which should be dependent on the Secretary of State and the direction of which should be absolutely independent of the several local legislatures. The councillors of Your Excellency have no hesitation in expressing the opinion that an alliance of that nature could not, for the moment, be in question.
—Comptes et Papiers, colonies.—Vol. 36, 1862, p. 607.)

Replying to the above remarks, the Duke of Newcastle admits clearly that the only duty of Canada, as a colony, should lie in the equipment of her sea ports and in the general defence of her territory, as contended by the Canadian statesmen who wrote the document in question, and who were those men:—John Sandfield Macdonald, Antoine Aimé Dorion, U. J. Tessier, D'Arcy McGee, John Abbott, and many others, irrespective of party affiliations.

May I be permitted before concluding the history of those important debates which took place previous to Confederation, to quote the appreciation of a renowned English historian, John Charles Dent:

Some of the foremost English journals expressed themselves strongly upon the subject of the defeat of the Macdonald-Cartier Government's Militia Bill. The prevalent feeling in the Mother Country seemed to be that Canada was disposed to shirk her responsibilities and to leave England to provide for her defence against foreign aggression. At such a distance from the scene of action, and with very inadequate knowledge of public opinion here, Englishmen have always been conspicuous for shooting wide of the mark where Canadian affairs are concerned. At this juncture they would seem to have been further astray than usual. Mr. Macdonald's measure had been defeated, partly because its enactment would have involved an expenditure greater than the necessities of the case demanded, greater certainly than the pecuniary condition of the province would have justiefid, and partly because it had been introduced under the auspices of an administration whereof the Canadian people had begun to grow weary. There was no want of loyalty among us; no desire to avoid our responsibilities, pecuniary or other. But the tone adopted by the English press—which of course echoed the opinions of many leading statesmen and scholars in the kingdom—during the summer of 1862, struck a blow at Canadian loyalty from which it has never fully recovered. One journal declared that we were a colony of greedy self-seekers, and that neither credit nor advantage to the Mother Country was to be derived from any longer continuing with us. Another more coarsely remarked that our loyalty was in our breeches pockets. At least a score of widely read journals took occasion to gird at us. The Premier himself—Lord Palmerston—asserted from his place in the House of Commons, with a considerable appearance of ill-temper, that Her Majesty's Government had done as much for the defence of Canada as they intended to do, and that it rested with Canadians themselves either to do the remainder or to disgrace the stock whence they had sprung. The Governor General, Lord Monck in more diplomatic language, expressed similar opinions at a public dinner in Montreal. Canadians generally felt that they had received a succession of unmerited slaps in the face. Assuredly there is loyalty in Canada at the present day, but it is a sentiment of radically different stripe from that which animated us during the discussions arising out of the Trent affair; and any one who has carefully watched the progress of public opinion among us during the last twenty years will admit that a change first began to be apparent during the summer of 1862.

After Confederation, Sir George Etienne Cartier introduced another Militia Bill, which would be more in harmony with the new conditions. In fact the Bill contained special provisions to the effect that our Canadian militia was organized for the sole protection and defence of our Canadian territory. That part of the Bill as contained in the revised statutes of Canada reads as follows:

The Governor in Council may place the militia or any part thereof on active service anywhere in Canada for the defence thereof, at any time when it appears advisable so to do by reason of emergency.

Canada, like all other nations of the world, has to provide for two systems of defence—on land and on sea. By the above law, she had provided for her defence on land.

Later on in the course of my remarks I shall discuss whether there might be any good reason why she should adopt, with respect to her defence on sea, a system different from the one which she has adopted for her defence on land. Before I proceed any further, I might, perhaps, remind the House that our system of national defence on land, as initiated by Sir George Etienne Cartier, was approved of by his old and worthy colleague, Sir John A. Macdonald, a few years later, when, recognizing that the Militia Act in force at the time should be the only rule, he declined to send Canadian troops to take part in the Soudan war.

I support the Conservative party. I believe in the principles of this party, as set down by its noble leaders, Sir George Etienne Cartier and Sir John A. Macdonald. I may add, without fear of ever being contradicted, that my allegiance to this great political party has never failed; and it has never failed because it has always adhered, as much as the circumstances would permit, to the policy or policies laid down by those great leaders, and so ably upheld in the last years of Conservative administration under the most lamented Sir John Thompson and under this veteran of our public life, Sir Charles Tupper, whose energy and courage, even in his extreme years, cannot be beaten down

as in fact, they were not beaten down after the defeat of the Conservative party in the general elections of 1896, after which date a Liberal administration took charge of the affairs of this country. During the period from 1896 to 1909, the Liberal party itself thought proper to yield to the very principles laid down by the previous Conservative administrations in circumstances which I have already referred to in this House.

I now come to the position of our defence on sea. It was first raised in this House during the session of 1909-10 by the hon. member for North Toronto (Hon. George E. Foster), the present Minister of Trade and Commerce, then sitting at the left of the Speaker. It may not be out of place to remind the House that the resolution was moved during the afternoon sitting of Monday, March the 29th, 1909; and as we all know there are always very few members present in the House on Mondays. Of course, the leader of the Government did not readily agree to the proposition as presented; but he thought fit to move an amendment to it, which was rather mild and seemed to leave an open door for conciliation. In fact, after an amicable interview between the leader of the Government and the mover of the resolution, who called to his assistance the leader of the Opposition, the resolution and the amendment were withdrawn and the leader of the Government, himself, presented another resolution, embodying the same principles and features as those which he first thought should be amended.

This resolution, the offspring of the above conference, is well known, but it is so puzzling that I think it may be quoted at any time with renewed interest. Here it is:

This House is of opinion that all the words after 'that' be struck out and the following be substituted thereto:—

This House fully recognizes the duty of the people of Canada, as they increase in numbers and wealth, to assume in larger measure the responsibilities of national defence.

The House is of opinion that under the present constitutional relations between the Mother Country and the self-governing dominions, the payment of regular and periodical contributions to the Imperial treasury for naval and military purposes would not, so far as Canada is concerned, be the most satisfactory solution of the question of defence.

The House will cordially approve of any necessary expenditure designed to promote the speedy organization of a Canadian naval service in co-operation with and in close relation to the Imperial navy, along the lines suggested by the Admiralty at the last Imperial conference, and in full sympathy with the view that the naval supremacy of Britain is essential to the security of commerce, the safety of the Empire and the peace of the world.

The House expresses its firm conviction that whenever the need arises the Canadian people will be found ready and willing to make any sacrifice that is required to give to the Imperial authorities the most loyal and hearty co-operation in every movement for the maintenance of the integrity and honour of the Empire.

As you see, Mr. Speaker, in the last paragraph is enunciated a principle, the existence of which was even unsuspected up to that date, namely: That the defence of the Empire on sea has precedence over the defence of Canada. Hardly anything more was heard in this House up to the end of that famous session, except, this short question and answer, both very inoffensive, apparently; but at the same time, not so very unimportant, if we consider the circumstances. Lest the leader of the Government failed to understand the scope of his own resolution re Naval Defence, he thought fit, on the 15th of April, that is, about a fortnight after the resolution had been moved and adopted to put this unexpected question on the Orders of the Day.

Mr. Foster asked:

What interpretation does the Government place upon the resolution re naval defence, passed unanimously by the House on March 29? What steps does the Government propose to take towards carrying out the purport of the resolution, and when is it proposed to commence action in this respect?

Being called upon to answer this question, which had fallen upon certain heads like a thunder-bolt in a clear sky, the leader of the Government stood up and answered as follows:

The Government have decided that as shortly as possible after prorogation, the Minister of Marine and Fisheries (Mr. Brodeur) and the Minister of Militia (Sir Frederick Borden) shall proceed to London for the purpose of conferring with the Admiralty as to the best means to be adopted to give effect to the resolution of March 29.

The answer of the Government was setting forth in Canadian politics a principle unknown up to that date; although it turned to be very dear to the heart of the member for North Toronto: 'Ottawa will go to London,' and for the sake of dignity after engaging her word to that effect, Ottawa had to go to London on a question of Naval Defence for the first time in Canada's history. I may say that the hon. member for North Toronto never criticised the travelling expenses or others of the ministers who went to London during the year. I would not like to say too much one way or the other with respect to the hon. the Minister of Trade and Commerce, who is now absent from this House on public duty, but I feel that I have gone far enough to intimate that that question was put in April, 1909, to make sure that the Government should not go back on

their own resolution, and that the resolution embodied the same meaning as that in which he understood it in its relation to imperialism—an ideal which the leaders of his own party had for ever forbidden him to entertain and which he did continue then, and still continues to deam of now, although too much of this good thing seems to have brought uneasiness to the leaders of both parties in this House to-day. The delegates of the late Government returned from London with London's conception of what should be our national system of defence on sea. Had they escaped the dangers of London hospitality, as was questioned by the present leader of the Opposition last summer regarding the present Prime Minister? On the 12th of January, 1910, the then Prime Minister moved for leave to introduce Bill No. 95, concerning the naval service of Canada. That Bill as introduced and adopted did not contain the words 'for the defence thereof,' whereas our Militia Act does contain these words. They were purposely omitted from Bill No. 95, otherwise the resolution unanimously passed on March, 1909, would have been, in my humble judgment, a mere piece of nonsense. Here is the section of the Bill to which I have referred:

The Governor in Council may place the naval forces or any part thereof on active service at any time when it appears advisable so to do by reason of an emergency.

A comparison of the Militia Act and the Naval Service Act should give hon. gentlemen opposite something substantial to think about. During the last campaign they claimed—and still claim, but falsely—that the Naval Service Act involved the permanent defence of Canadian territory by Canadian people, on sea as well as on land. The difference between the two acts was, however, clearly demonstrated by the hon. member for Jacques Cartier, then leader of the Conservative party of the province of Quebec, and when the Bill came up for second reading on February 3, 1910, he proposed a sub-amendment to the amendment moved by the then leader of the Opposition, as follows:

This House, while declaring its unalterable devotion to the British Crown, is of opinion that the Bill now submitted for its consideration changes the relations of Canada with the Empire, and ought in consequence to be submitted to the Canadian people in order to obtain at once the nation's opinion by means of a plebiscite.

This sub-amendment, needless to say, was defeated by the House, but it obtained the full support of the Conservative party from the province of Quebec, then sitting at your left, Mr. Speaker. On November 22, 1910, the same hon. member moved the following amendment:

The House regrets that the Speech from the Throne gives no indication whatever of the intention of the Government to consult the people on its naval policy and the general question of the contribution of Canada to Imperial armament.

This amendment had same effect as the one I have already referred to, but it received the full support of the Opposition at that time.

Such was the position of both political parties, when, all of a sudden, a genera election was announced for September 21, 1911. That election resulted in the downfall of the Government which had passed the Naval Service Act, the Conservative party winning by a very large majority. I shall not undertake to give all the reasons why the Government was defeated in nearly all the provinces. I shall only state the main points of the contest. The Government having been for a pretty long time in office, had become imbued with the idea that they could do almost anything, and in order to wipe out the several blunders that they had made, and which might be attributed to their carelessness and their unscrupulous methods, they thought of gratifying the people with new commercial arrangements of some kind. However, I may say that the main issue in the province of Quebec was the 'Naval Service Act,' —and that province, withdrew the great confidence it had shown in the late Government for the last fifteen years, returning to Parliament no less than twenty-seven supporters of the Opposition.

Public meetings were held throughout the province on the navy question, the hon. member for Jacques Cartier, Mr. Monk and the present leader of the Opposition, challenging and fighting one another before large and enthusiastic audiences. In many a case, resolutions were adopted with loud cheers and applause, and especially so at St. Eustache, where the following was carried without dissenting voice: I shall quote this resolution in the original language in which it was written lest the translation which I might make would not be absolutely accurate:

THE NAVAL BILL.

Protest—The Autonomy of Canada—The real unity of the Empire—Resolutions passed at St. Eustache, on July 17, 1910.

We, citizens of Canada, faithful subjects of His Majesty, King George V, declare ourselves ready to defend, at the sacrifice of our lives, our own territory and the rights of the British Crown in Canada, as our fathers have done in 1776, against the English speaking subjects of His Majesty; in 1812, against the armies of the American republic, and in 1885, against our own fellow-citizens who had revolted.

But relying on the greatness and effectiveness of the principles of decentralization and

autonomy, solemnly proclaimed and recognized for more than half a century by the British as well as by the Canadian authorities, we are opposed to any new scheme likely to involve us in warfare in distant and foreign lands, especially as long as the autonomous colonies of the Empire are not admitted to participate, on a footing of equality, in administering the Imperial army and navy, in concluding treaties of peace and alliance, and in looking after foreign affairs, the Government of India and that of the Crown colonies.

We sincerely believe that such a policy of concentration and apparent Imperial unity, of which the recent Naval Bill is only a first instalment, would, as regards the Empire itself, be a source of misunderstanding, rivalry and conflicts which would endanger the peace and union of numerous countries and of the peoples of all nationalities who to-day are glad to live under British rule.

Never having been for Great Britain and for the Empire the occasion of any conflict, we believe that a policy of peace and of moral and material development is necessary to Canada, its growth and its cohesion, and, as a result, to the glory and security of the Empire.

Free citizens of a democratic country, we claim the right to express openly our opinion on this question as well as on any other which has a bearing on the destiny and interests of Canada. We recognize to the majority of the Canadian people the right to effect a rearrangement of our relations with the other parts of the Empire, provided they do it with a full knowledge of the facts. But we protest against all attempts to deprive the Canadian people or any section of it of the right to freely consider this important question.

We repudiate the statements made in Toronto, in December last, by Mr. Alexandre Taschereau, Provincial Minister of Public Works, who falsely contended that the people of Quebec were ready to accept with closed eyes any policy for the naval defence of the Empire, and we blame the members of the Provincial Government and Legislature who approved of those statements by their vote of June 2 last.

We blame the Dominion cabinet and the majority of Parliament who imposed on Canada that new naval legislation, launched the country into the vortex of militarism (in recent times so strongly denounced by Sir Wilfrid Laurier), who have endangered the peace of Canada, and diverted towards the building of murderous war machinery and the preparing of bloody wars millions which were destined to the development of our agriculture and of our transportation facilities.

We condemn at the same time the stand taken by Mr. Borden and those members of the Opposition, who, following in his lead, have insisted on the adoption of a policy just as sinister.

We contend that Parliament had no right to thus engage the future of Canada in regard to a policy that has never been submitted to the people who are expected to supply the men to do the fighting as well as the funds to meet the war expenditure.

We approve unreservedly the courageous and loyal stand taken by Mr. Monk and the few representatives of the people who, true to their mandate, pointed out the dangers of such a policy and claimed for the Canadian people the right to make known their will previous to their representatives imposing on them this heavy burden.

In that resolution adopted at St. Eustache the principle of a plebiscite is advanced. A few minutes ago I had an opportunity to vote against a demand for a plebiscite because that was upon the naval policy of the late Government. When the general election of 1908 was held the people of Canada had never heard that the policy of the Government would be to embark upon a naval service during the four years in power the people then conferred on them. The people of Canada had never been consulted in any way and the Opposition then said to the Government: You have no right to adopt such a system of defence on sea because you have not submitted the proposition to the people and let them express their opinion. I have explained to the electors of my county that I was opposed to any system of defence on sea that would be of a different character to our system of defence on land. I stated that I was opposed to Sir Wilfrid Laurier's naval policy and that I could not accept the programme of the opposition with reference to a naval contribution. I am taking before the House and the country absolutely the same stand that I took before my electors. I must remind the House of the very important fact that a plebiscite is not a remedy, it is a means. If a member has exhausted all the opportunities at his disposal to defeat a Bill and it has passed its third reading, then he may say: Here is my last chance. Let the matter go before the people and I am sure the people will sustain my proposition. That was the position taken by the Opposition. Nobody will deny that members of Parliament have the right and the duty to take a stand on every question submitted to them. Having done so they could, if they deemed fit, on a new question so important as this, ask Parliament to go to the people as the Opposition did when the Naval Service Act was first introduced to this House.

I have made this little digression because in the resolution adopted at St. Eustache some reference was made to a plebiscite and to the Naval contribution policy. In October 1911 the present Government took office, and so far as the naval question is concerned, no steps were taken during the first session of this Parliament except that information was given to the House that the present Prime Minister would proceed to London after prorogation in order to consult the Admiralty as to the most practical means to be adopted for our defence on sea. Four hon. Ministers went to London with that object in view. They were in favour of a contribution when they left, and they were in favour of a contribution when they returned. On the other hand,

the late Prime Minister had the idea of building a navy prior to his departure from Ottawa to London. He went to consult the Admiralty, and he came back to Ottawa with the proposal to build a navy, which I think goes a great way to show that the Admiralty gave to each Prime Minister the answer he longed for. But there is a difference, and it is a very important difference which I want the House to note. The difference between the two cases lies in the fact that the late Prime Minister brought back to Parliament no memorandum or document whatsoever, expressing the views of the Admiralty, whereas the present Prime Minister has thought it proper to do so for the purpose of having the views of the Admiralty considered. The late Government passed the Naval Service Act while the present Government has introduced a resolution for a vote of $35,000,000 which is intended as a free gift to the Mother Country in case of emergency reserving the question of a permanent Naval Policy to be voted on by the people when the time comes. In both cases the constitutional relations between Canada and the Mother Country are changed but what is the amendment proposed by the Leader of the Opposition to-day? It reaffirms clearly and positively the principles contained in the Naval Service Act. So far as an emergency is concerned, I do not think it exists at present, if I am to accept the information at my disposal. The hon member for Rouville stated the other day that he had no opinion of his own regarding the meaning of the word 'emergency' and that he had referred to Webster's Dictionary. He stated that when he was in difficulty about any English expression he referred to Webster. There he found that the word 'emergency' meant 'a sudden or unexpected appearance, a sudden occasion, a pressing necessity, an exigency.' I rather think that the hon. member for Rouville glanced at Webster more for the purpose of embarrassing the Government than with the view of finding the meaning of an English expression. If he really intended to deal with the question on its merits, he could have referred to another authority which ranks high, and which he is the first to consult on political matters. I want to cite Sir Wilfrid Laurier on the meaning of the word 'emergency.' The right hon. leader of the Opposition said the word 'emergency' means 'war, invasion, or insurrection real or apprehended.' Hon. members will find that what I say is true by referring to the speech of the then Prime Minister when he explained for the first time to the House the Naval Service Bill. That was the expression he used, and it must be the only definition of the word emergency because it was what was in his mind when he framed the law. It is the expression that should be used because it was applied to the principles of the Naval Service Act. Every lawyer knows what I mean. If the hon. member for Rouville will turn to 'Hansard' of session 1909-10, he will read the definition I have quoted on page 1733. Now, if it be true that 'emergency' means 'war, invasion or insurrection real or apprehended,' why did the whole rank and file of the Opposition, from head to tail, take up the time of this House from November 21, 1912, in opposing the present resolution on the ground that there was no war, no invasion, or no insurrection real when by their amendment they say clearly that there is war, invasion, or insurrection apprehended? For, if emergency means war, invasion or insurrection, real or apprehended, and if there is emergency in either of these two cases, and no emergency at all in any other case, their amendment practically approving of the expenditure of $35,000,000 for two fleet units as an addition to the Imperial navy, the said two units to be Canadian in time of peace but Imperial in time of war, would, as stated not very long ago by the ex-Minister of Finance, Hon. Mr. Fielding, be altogether out of place and constitute a mere piece of nonsense, because there would be no ground, first, for approving the contribution of $35,000,000; secondly, for maintaining that two fleet units should be added to the Imperial navy, and, thirdly, for stating that Canada must help towards the maintenance of the naval strength of the Empire.

Is it not amusing, after we have been gratified with such an expression of opinion on the part of our hon. friends to the left, to hear their present chieftain exclaim not against the purport of the present resolution but in favour of it, to a greater extent than any member of this House ever went; not only in the case of war, invasion or insurrection, real or apprehended, but at a mere sign of alarm on the part of England, he is ready to go four better and give, not for fleet units but in hard cash and ready money, not $35,000,000, but $140,000,000?

How is that for a change of opinion at a moment's notice, and how is it that all their flock stepped in and followed suit not only without a sign of their being scandalized at their own deed but with such a rattling enthusiasm? However strange this may appear, it is only natural after all to anyone who is conversant with their political traditions. Are they not the same men who, at one time advocated commercial union, unrestricted reciprocity, annexation, independence, larger or wider markets when in opposition, protection when in power and reciprocity again when afraid of not being returned on the

strength of their famous Naval Service Act which will forever work on their minds like the vision of Macbeth? Are they not the same men who, actuated only by a desire for power, bitterly criticised the present Prime Minister for taking the hon. member for Jacques Cartier (Mr. Monk) into his Cabinet when they had no hesitation in discarding the most prominent of their old time friends and in finding a county for the late Mr. Tarte who had been defeated in Beauharnois, with the special intent and purpose of taking him into their Cabinet although they knew him to be a staunch Conservative and to have been so for all his lifetime, a man who, at the very time when he was their colleague, would not declare even under oath, in the case of Grenier, that he was anything like a Liberal? Are they not the same men whom we see to-day flouting those men and newspapers whom they call Nationalists with a contemptuous smile, when as early as 1885, under the guidance of Mercier, they thought fit to give up at one stroke and all of a sudden, even the name of their party, in order to climb up the golden stairs of power?

They are the first Nationalists whom Canada has ever known, they cried out in the remotest parts of the province of Quebec the words of Mercier as a motto 'Let us all unite in one national aim, let us bury the acts of war, let us be national.' 'If I come to power, my Government shall be national and shall remain so as long as it is under my leadership.'

How could any of these men from the first to the last reproach the so-called Nationalists of the day with their present principles? Are they not perfectly in keeping with their own doctrines and their own teachings? How could they blame their own pupils for having protested in Arthabaska, the late Prime Minister's own battlefield, against the principles of the Naval Service Act, against the idea of eventually sending out Canadian ships and men to take part in wars where Canada was not concerned, when they, themselves, and by their newspapers such as Le Soleil and Le Soir had thought it proper in 1896, to raise the feelings of the French-Canadian people against the idea of purchasing rifles to equip the Canadian militia for the defence of Canada as provided by the Militia Act 1868?

Why did the province of Quebec so largely contribute to putting them out of power?—for the sole reason that she had been deceived long enough by all such men and had finally decided to put an end to that game. All the efforts of the Opposition to play it any longer will be vain and useless, even if any one of them should venture to consult Webster to prove that it is good tactics to deny Papineau in order to make political capital for his party and himself.

Let me tell the hon. gentlemen opposite that the province of Quebec, of which I have the honour to be a representative in this House, has not changed its ideals regarding our national defence. It gave its full support during many years to the leaders of the Conservative party, and I hope and trust that it will, in the future, give its allegiance to the political party that will stand more closely attached to the principles of self-government for this great and important colony, whose future is so bright and promising, if we only know how to preserve and maintain it. I cannot close my remarks without referring to some of the speeches made on both sides of this House. In most of the speeches both proposals are construed as favouring Canadian autonomy, in a few of them the opposite view is taken. It is stated by some that Imperial autonomy instead of Canadian autonomy should be preserved. It has been advanced in certain quarters that this amendment, if adopted, would indicate a step towards Imperial federation. I deny that absolutely. The amendment does not stipulate that if Canada had a voice in the Councils of the Empire she would agree to change her present constitutional relations. The amendment only declares that acting under the constitutional relations existing at present she cannot change her status. I shall even go further and say that England will never consent to share her responsibilities with her colonies, but if she did, it would then be the proper time for Canada to study carefully whether such representation would be effective. In the meantime, Canada can have no hope of co-partnership as long as there does not exist an equality of interest. The main argument resorted to by the advocates of Imperialism in this country, and especially by the member for St. Antoine (Mr. Ames), against the present amendment, gives to it the meaning that we are to have independence, or in other words, separation. Canada's self-dependence does not mean separation. There can be no separation where there is no dissatisfaction. I claim to be unalterably attached to British institutions and British connection, and as ready to work for them as any man in Canada. So long as Canadian and British statesmen will not be separated by more than an imaginary boundary from national patriotism it is not to be expected that the views expressed by the member for St. Antoine, and others in this House or outside, shall prevail, although they may continue to express those same views as long as the present controversy exists.

In conclusion, I have but one remark to add. As I have said, the Militia Act contains the words: 'For the defence thereof'; let those words be inserted in any measure pertaining to our naval services, and no matter by which party the addition shall be introduced, I shall vote for it, even if that party is thereby committing a 'crime,' and if by my vote, I am committing a 'suicide.' Just one word I say to my friends from the province of Quebec, that during the last campaign they stated that the law adopted by Sir Wilfrid Laurier was a law protecting Canadian autonomy. I say that it is not. I said before, as I say to-day, that if they are in favour of uniting the Empire, if they are against the self-government of this country, they are within their rights; but they should come before the House and state frankly and openly the position they are really taking on this question. If I have been able to make them clearly understand this point, I have shown that I require their help, I require a vote not only from them, but from the whole House of Commons. I make a last appeal for the maintenance of the principle involved in this amendment respecting self-government, self-dependence for Canada, or for any colony in the British Empire.

Sir WILFRID LAURIER: Mr. Speaker, I have very great doubts on my part that this is an amendment. According to the authorities an amendment is one of three things:

1, by leaving out certain words; 2, by leaving out certain words in order to insert or add others; 3, by inserting or adding certain words.

The motion of the hon. gentleman is simply a negative; it simply says that the House should decline to affirm the resolution, giving reasons, but not setting forth any motion, taking nothing from or adding nothing to the motion. In my judgment it is out of order.

Mr. SPEAKER: I am rather inclined to the opinion that this resolution as it is drawn, to leave out all the words after 'that' and substitute instead the words stated, affirms a principle which is not the principle of the resolution; but for another reason I am inclined to the opinion that the amendment is out of order. It is this: The hon. member, in moving it, drew attention to the fact that it was substantially the same as an amendment that he had moved to the Address in reply to the Speech from the Throne. Bourinot in his third edition says, in regard to the renewal of a question during a session, that when a motion has been stated by the Speaker of the House and proposed as a question for determination, it is then in the possession of the House to be decided or otherwise disposed of according to the established forms of procedure. Then he goes on to say:

It is, however, a usual form of procedure that no question or motion can regularly be offered if it is substantially the same as one on which the judgment of the House has alrealy been expressed during the current session.

The hon. member said himself that it was substantially the same motion as the one which he had moved on the Address in reply to the Speech from the Throne. I took occasion to look up the motion; and I frankly agree with him that it substantially expresses the same principle. I take up the English Manual of Procedure and I find that the English rule is much the same. Rule 124 says:

A motion must not raise a question substantially identical with one on which the House has given a decision in the same session.

For that reason I must rule that this amendment is out of order.

Mr. J. P. O. GUILBAULT (Joliette): (Translation.) Mr. Speaker, before the House divides on the motion proposed by the right hon. the prime minister, I wish to propose, seconded by my hon. friend from Nicolet (Mr. Lamarche), the following amendment:

That this House do not now concur in the present resolution, but that said resolution be referred back to the Committee of the Whole of this House, with instructions to add the following:

1. Provisions tending to repeal and annul an Act sanctioned by the Governor General, on the 4th May, 1910, 9-10 Edward VII, and intituled: 'An Act respecting the Naval Service of Canada.' Provisions to the effect that this resolution should not have force nor be binding, until the majority of the people, consulted through a plebiscite, have approved of it.

Mr. Speaker, I remember having declared, during the last electoral campaign, when comparing the proposed contribution and the Laurier Naval Act, that, to my mind, the former was preferable, but I added: 'Let us now condemn the Laurier Naval Act, and later on, should an opportunity offer, let us also condemn the proposed contribution.

In order to be consistent with my principles, I deemed it my duty to propose the amendment which has just been submitted to the House. For me, personally, it is a point of honour, having pledged my word to my constituents. I do not wish to recriminate nor to impute dishonourable motives to any one. The right hon, the prime minister is consistent with himself, having always advocated such a policy of contribution as he has submitted to the House. Other ministers, who have got in-

formation on certain facts which I am ignorant of, and who are satisfied that there exists an emergency, the proof of which has not been given me, deem it proper to support the resolution now before the House. I respect their opinion, but I do not subscribe to it. Before all, I want to be true to my pledged word, and that is the reason why I am taking this stand. I know that, before long, I shall disappear from this world; for I have to face a much more dangerous adversary than the Liberal party. That foe is the malady which will soon end by triumphing over me. I wish that it may be said of the member for Joliette that he was faithful to his undertakings, that he kept his promises and that he was consistent with himself.

Such are, briefly stated, the reasons which have prompted me to propose the amendment now before the House.

I am fully aware of what I am thereby laying myself open to. I know that I am forfeiting the esteem of my party; but on the other hand I do not wish to win the plaudits of the Liberal party which I still more strongly condemn. What I am most anxious about, is to win the approval of my own conscience, and to have the satisfaction of having done my duty.

Mr. SPEAKER: I notice that the first part of this amendment recommends that the resolution be referred back to the committee with instructions to repeal a law which is now on the statute-book, which, of course, could not be done by the House in that way. With regard to the second part, it is substantially the same as the amendment moved by the hon. member for Maisonneuve (Mr. Verville). Therefore, for these reasons, I am obliged to rule that it is out of order.

House divided on the motion of Mr. Borden:

That the following resolution from the Committee of the Whole be now read the second time and concurred in:

Resolved, that it is expedient in connection with the Bill now before this House intituled: An Act to authorize measures for increasing the effective naval forces of the Empire, to provide:—

(a) That from and out of the Consolidated Revenue Fund of Canada there may be paid and applied a sum not exceeding thirty-five million dollars for the purpose of immediately increasing the effective naval forces of the Empire;

(b) That the said sum shall be used and applied under the direction of the Governor in Council in the construction and equipment of battleships or armoured cruisers of the most modern and powerful type:

(c) That the said ships when constructed and equipped shall be placed by the Governor in Council at the disposal of His Majesty for the common defence of the Empire; and

(d) That the said sum shall be paid, used and applied, and the said ships shall be constructed and placed at the disposal of His Majesty subject to such terms, conditions and arrangements as may be agreed upon between the Governor in Council and His Majesty's Government.

YEAS:

Messieurs

Aikins,
Alguire,
Ames,
Armstrong, (Lambton)
Armstrong, (York O.)
Arthurs,
Baker,
Ball,
Barker,
Barnard,
Beattie,
Bennett (Calgary),
Bennett (Simcoe),
Best,
Blain,
Blondin,
Borden,
Bowman,
Boyce,
Boys,
Brabazon,
Bradbury,
Bristol,
Broder,
Burnham,
Burrell,
Carrick,
Clark (Bruce),
Clarke (Wellington),
Clements,
Cochrane,
Cockshutt,
Coderre,
Crocket,
Cromwell,
Crothers,
Currie,
Davidson,
Doherty,
Donnelly,
Edwards,
Elliot,
Fisher,
Forget, (Sir Rodolphe),
Foster (Kings, N.S.),
Fripp,
Garland,
Gauthier (Gaspe),
Girard,
Green,
Hartt,
Hazen,
Henderson,
Hepburn,
Hughes (Victoria, O.),
Jameson,
Kemp,
Lalor,
Lancaster,
Lavallee,
Lesperance,
Lewis,
Macdonell,
Maclean (York, O.),
McKay,
McLean (Queens, P.E.I.),
Meignen
Merner,
Middlebro,
Morphy,
Morrison,
Munson,
Nantel,
Nicholson,
Nichol,
Northrup,
Osler (Sir Edmund),
Paquet,
Paul,
Pelletier,
Perley,
Porter,
Rainville,
Reid (Grenville),
Rhodes,
Robidoux,
Roche,
Rogers,
Schaffner,
Sevigny,
Sexsmith,
Sharpe (Lisgar),
Sharpe (Ontario),
Shepherd,
Smith,
Smyth,
Stanfield,
Steele,
Stevens,
Stewart (Hamilton),
Stewart, (Lunenburg),
Sutherland,
Taylor,
Thoburn,
Thompson (Yukon),
Thornton,
Tremain,
Walker,
Wallace,
Webster,
Weichel,
White (Leeds),
White (Renfrew),
Wilson (Wentworth), and
Wright,—115.

NAYS:

Messieurs

Achim,
Barrette,
Bélanu,
Bellemare,
Laurier, (Sir Wilfrid),
Law,
Lemieux,

Boivin,
Boulay,
Bourassa,
Boyer,
Brouillard,
Brown,
Buchanan,
Bureau,
Cardin,
Carroll,
Carvell,
Champagne,
Charlton,
Chisholm (Inverness),
Clark (Red Deer),
Cruise,
Demers,
Devlin,
Douglas,
Emmerson,
Ethier,
Fortier,
Gauthier (St. Hyacinthe),
Gauvreau,
German,
Graham,
Guilbault,
Guthrie,
Hughes (Kings, P.E.I.),
Kay,
Knowles,
Kyte,
Lachance,
Lafortune,
Lamarche,
Lanctot,
Lapointe (Kamouraska),
Lapointe (Montreal, St. James),
Loggie,
Lovell,
MacNutt,
McCraney,
McCoig,
McCrea,
McKenzie,
McMillan,
Marcil (Bonaventure),
Marcile (Bagot),
Martin (Montreal, Ste. Mary's),
Martin (Regina),
Michaud,
Molloy,
Mondou,
Murphy,
Nesbitt,
Neely,
Oliver,
Pacaud,
Paquneau,
Pardee,
Power,
Proulx,
Pugsley,
Reid (Restigouche),
Richards,
Robb,
Ross,
Seguin,
Sinclair,
Thomson (Qu'Appelle),
Turgeon,
Turriff,
Verville,
Warnock,
White (Victoria Alta.), and
Wilson (Laval).—83.

PAIRS:

Messieurs

Ministerial.	Opposition.
Foster,	Bickerdike,
Haggart,	Gordon,
Elson,	Tobin,
Fowler,	Delisle,
McCurdy,	MacLean (Halifax),
Clare,	Cash,
Wilcox,	Maclean (Halifax),
Marshall,	Clarke (Essex),
Chabot,	Chisholm (Antigonish),

Motion (Mr. Borden agreed to and resolution read the second time and concurred in.

On motion of Mr. Borden the resolution was referred to the Committee of the Whole on Bill 21, to authorize measures for increasing the effective Naval Forces of the Empire.

On motion of Mr. Borden, House adjourned at 12.50 a.m. Friday.

HOUSE OF COMMONS.

FRIDAY, February 14, 1913.

The SPEAKER took the Chair at Three o'clock.

QUESTION OF PRIVILEGE.

The Orders of the Day being called:

Hon. ROBERT ROGERS (Minister of Public Works): I desire to ask your attention for a few moments to a question of privilege. I have had this morning placed in my hands a sheet, which I presume the rules of this House compel me to dignify by the name of newspaper, published in the city of Regina, under the title of the Morning Leader. This paper bearing date of February 7, contains a most scurrilous article misrepresenting—dishonestly misrepresenting—the facts, and leaving, as far as it possibly can, an implication and a statement reflecting upon my honour in the discharge of my duty as Minister of the Interior. Perhaps I cannot do better than read to the House a portion of the article of which I desire to complain. It is headed in very large type:

Bob Rogers gives Prince Albert City Property to Favorite—Half of Quarter Section lying within the City Limits secretly entered as Homestead Land and given to Arthur Donaldson without Notification to the Public—Mr. Martin Exposes the Deal—Question of the Regina Member of Parliament Elicit Answers from Present Minister of the Interior Admitting the most Shameless Transaction of which any Canadian Government has ever been Guilty.

(Special Staff Correspondence.)

Ottawa, February 6—On April 16, 1912, when hon. Robert Rogers was Minister of the Interior, and without any notice having been given to the public that the land was available for homesteading, Arthur Donaldson, a close relative of the Conservative whip in the Saskatchewan Legislature, was permitted to make application for a valuable piece of property which is said to lie actually within the limits of the city of Prince Albert.

Part of the startling story came out in the House of Commons this afternoon, when the present Minister of the Interior replied to questions put by W. M. Martin, of Regina. Much more of it is likely to come out in the near future, and it is expected that the transaction will prove to have been one of the most astounding that has ever come to light in Dominion affairs.

The fact that this homestead is said to be within the city limits of Prince Albert is one of the most astounding features of the affair. More than this, according to real estate valuations in that city, the property in question, half of a quarter section, is understood to be worth many thousands of dollars, and yet under the Rogers administration of the Interior Department, land of this class

and this great value was allowed to be taken up as a homestead.

But this is not the most remarkable fact in connection with the matter. In his reply to Mr. Martin's question this afternoon, Hon. Dr. Roche admitted that absolutely no notice whatever had been given to the public that this piece of Prince Albert property was available for homesteading. Apparently, however, Mr. Donaldson had sources of information which were denied the public generally, and in some mysterious way he was made aware, when Mr. Rogers was minister, that homestead entry would be accepted. On the date mentioned above, he made successful application. In the following November, patent for the land was granted Mr. Donaldson, so his right to the property under the homestead regulations is now established.

Another amazing feature in connection with the case is that it is claimed that prior to Mr. Donaldson making application for entry, other Saskatchewan men desiring to make similar application were given to understand that the property was not available for homesteading.

In answer to one of Mr. Martin's questions, Dr. Roche stated that the land under discussion was made available for homesteading entry in March, 1907. The correctness of this statement is challenged, however, and the claim made that Dr. Roche is wrong. It is asserted by men who should be in a position to know that the property was first made available for homesteading entry when Mr. Donaldson was given the chance to make application.

At all events, it is a surprising thing if the property was actually available for entry for three years before Mr. Donaldson made application that it was not taken long ago. Westerners are not likely to let the chance to secure such a piece of real estate for practically nothing slip by them if there is a chance to get it.

Dr. Roche's answer to two others of the Martin questions also had a decidedly peculiar flavour. The Regina member asked if any instruction had been given by the Government, or any of its members, to the Dominion lands agent at Prince Albert to accept the homestead application of any particular person for the property involved, and as to whether or not the Government is aware that the land is said to form part of the city of Prince Albert. To both questions Dr. Roche answered No, with a string to it. The answer was: As far as the records of the Department of the Interior are concerned, no.

The string indicates pretty well that perhaps the whole story as to instructions and as to ministerial knowledge of the exact location of the property has yet to be told.

At all events, these bald facts stand out: No notice was given the public that the land was available for homestead entry; the relative of a prominent Conservative politician became aware in some strange way that entry would be accepted on a piece of valuable property said to be within the limits of a city; he made application; the application was granted, and a patent for the property has been issued to him.

With respect to the statements contained in this article, I deny absolutely that there were any instructions whatever given, either by me or by any officer of the Interior Department, so far as I know. I deny absolutely knowledge of any act of wrong-doing in connection with the entry which is referred to in this article. Further, there was no act of wrong-doing upon the part of Mr. Donaldson, who secured the interest in the land, on the date named in this article. Let me say further, Mr. Speaker, that I had no knowledge of any kind or description of the entry that was being made, and I repeat that there was no information given to Mr. Donaldson or to any person else by any official of the Department of the Interior. Further, there were no instructions given to the agent to give Mr. Donaldson an entry for this particular eighty acres of land.

Now, in view of this slander, let me tell the House what the facts are. The facts are these: A few years ago when my hon. friend from Edmonton (Mr. Oliver) was Minister of the Interior, he undertook to lay out a forest reserve in that portion of the territory north of the town of Prince Albert. Some time after that reserve had having undertaken to do so by an Order been set apart, by his own order, without in Council even, he decided that it would be well to reduce the area of that reserve, and I hold in my hand a map showing in colour red the original reservation and also the number of sections that were afterwards withdrawn by my hon. friend from that particular reserve. The fact further is that these sections which were withdrawn by my hon. friend were disposed of under his administration. They were given not only by homestead, but by sale to his friends and the friends of the Liberal party.

Mr. OLIVER: Mr. Speaker, may I ask if my hon. friend is in order in making an attack on me when I have no opportunity to reply?

Mr. ROGERS: I am not attacking my hon. friend; I am simply stating the facts of the case.

Mr. SPEAKER: An hon. member, in speaking to a question of privilege, has the right to state it and to deal with it as his judgment suggests, but I do not think he would have the right on a question of privilege to discuss what has been done by others.

Mr. ROGERS: I accept your ruling, Mr. Speaker. I deny absolutely that there were any instructions given by me or by any officer of the Interior Department to Mr. Donaldson in advance in order that he might secure that eighty acres of land. Now, Sir, I have the right to state some of the facts in connection with the matter

in order that my denial may be full and complete and clear to the hon. members of this House.

Some hon. MEMBERS: No.

Mr. ROGERS: I have said that similar conditions existed in the disposal of land surrounding this eighty acres. On the 30th of November, 1907, Mr. R. H. Campbell was asked to make a report on the quarter section actually adjoining the land in question, and he reported that several applications had been received to homestead the above quarter section included in the Prince Albert Forest Reserve, and he went on to describe the land. Mr. Maber, in a memorandum to Mr. Greenway, said:

Apparently this case should be considered in connection with Mr. Campbell's report on the forest reserve, which he states he is submitting, in order to make sure that the N. W. 8, is recommended to be withdrawn.

Now, mark you, I am dealing with the quarter section of land actually adjoining this eighty acres. On the 11th of February, 1908, the following memorandum is issued to Mr. Greenway:

Kindly have the necessary action taken to grant entry to the eligible applicant for the N. W. ¼ of 8, 49, 26, W. 2, (signed) Frank Oliver.

Then the following was issued on the 14th of February, 1908:

Re your memorandum of the 25th of November last, below.

If this land is in the Forest Reserve, I presume you will require to take action before the agent is instructed in accordance with the minister's memorandum of the 11th instant.

This is a letter from Mr. Keyes, dated the 4th of February, 1908:

I beg to inform you that it has been decided to make available for homestead entry the northwest ¼ of section 8, township 49, range 23, west of 2nd meridian, and you are hereby authorized to take the necessary action and grant re-entry to the eligible applicant in accordance with the regulations.

This is a letter dated Prince Albert, 19th March, 1908, from the land agent to the Secretary of the Department of the Interior, Ottawa:

I beg to acknowledge the receipt of your letter of the 4th ultimo, Ref, 811135, received here on the 10th instant, advising me that it has been decided to make available for homestead entry the northwest ¼ of section 8, township 49, range 26, west of 2nd meridian, and authorizing me to take the necessary action and grant re-entry to the eligible applicant in accordance with the regulations, and I have to ask if it is your intention that any notice should be taken of the applications on file either in this office or in your department (see your letter of 20th May, 1907). This case has been pending for some considerable time past and it is not altogether clear to me from the wording of your letter, whether it is your intention to recognize the applications now on file or dispose of this land in accordance with the recent regulations by posting it on the list kept in this office for a period of ten days and then disposing of it to the first eligible applicant applying in person therefor. My reason for referring this back to you is on account of the situation of the land and the fact that a bridge is now building across the river which will make this land valuable in the very near future and as a consequence I would like to be perfectly clear as to what action you desire taken. I enclose a sketch for your information.

Your obedient servant,
R. S. COOK,
Agent Dominion Lands.

In reply, Mr. FitzRoy Dixon addressed the following memorandum to Mr. Maber:

Please read minister's instructions dated 11th February, 1908.

In view of the special value of the land affected, I think it would be well to submit for consideration the agent's letter of the 19th instant,

The point is whether the land should be thrown open to the first eligible applicant after having been posted for ten days under recent regulations, or whether there is a particular eligible applicant who should receive the entry.

That was on the 31st of March, 1908. On the same date Mr. Greenway received the following memorandum:

Re N. W. 8, 49, 26, W. 2.

Referring to the instructions to the agent dated 4th February, advise the agent that the entry should have been given to the first eligible applicant for the same after the receipt of the instructions. He will therefore grant the entry to the first eligible applicant who applied to him for the same after the receipt of the instructions.

FRANK OLIVER.

On the 4th of April, 1908, Mr. Keyes addressed the following letter to the agent at Prince Albert:

Re N. W. ¼ of 8, 49, 26, West 2nd.

Replying to your letter of the 19th instant I am instructed to advise you that the department's letter to you of the 4th February was intended to authorize the granting of re-entry to the first eligible applicant in accordance with the regulations after the receipt by you of the instructions contained in that communication.

You will therefore on receipt of this grant the entry to the first eligible applicant who applied to you for the same after the receipt of the said instructions.

Your obedient servant,
P. G. KEYES,

Although that letter of instructions from Mr. Keyes was sent to the agent at Prince Albert on the 4th of April, 1908, the applicant for the adjoining quarter section to the one just referred to was granted a homestead entry on the 1st day of April, the day after the memorandum signed by

the late minister was given out by his department. In so far as this half quarter section is concerned, I had no knowledge of any kind whatever of the transaction, as I can prove by the records of the department. I hold in my hand a letter bearing date April 3, 1912, written and signed by Mr. W. W. Cory, Deputy Minister of the Interior; it reads as follows, and is addressed to S. J. Donaldson, M.L.A., Regina, Saskatchewan:

In the absence of the minister, your communication to him in which you make application to apply scrip on the S.E. ¼ of 7 and the S. W. ¼ of 8 in 49-26 West 2nd, has been referred to me for attention.

Legal subdivisions 2, 7 and 8 of the S.E. ¼ of section 7, have been set aside as school lands, while fractional legal subdivision 1 stands as a time sale patented to A. S. Stewart; the N. ½ of the fractional S. W. ¼ of section 8, however, is vacant in the records of the department. The agent of Dominion lands has been communicated with and has been asked to advise the department as to the standing in his records of the said last-mentioned parcel. When he is heard from, you will be further communicated with in the matter.

That letter was received by Mr. Donaldson at Prince Albert. He immediately went to the land office, where he found the same condition that Mr. Cory had described as existing in the department here, namely, that the land was entirely free and open for entry to any person who might apply for it. The fact is that in the statement showing the number of sections that had been disposed of by the late administration, by some oversight this eighty acres had been left out; and some Tory to-day has had the good fortune to get that land under the rule as laid down by the hon. gentleman opposite. If Mr. Donaldson owes a debt of gratitude to any person for getting an entry for this particular eighty acres, he owes it to my hon. friend the member for Edmonton, because the agent of Dominion Lands in Prince Albert followed his ruling to give his friend the very adjoining quarter section a few years before. That rule is standing on his books in his office, and he followed it in this case. Because these are the facts and because some gentleman, who is called a Conservative, has secured a piece of land to the extent of eighty acres in accordance with the policy and administration laid down by hon. gentlemen opposite, I have been accused of committing a great wrong in connection with an entry of this eighty acres of land of which I have no knowledge whatever. I do not believe that the young gentleman who represents this sheet in the press gallery of this House would be guilty of writing such a misrepresentation and misstatement of facts, and I am rather inclined to believe that this article emanated from the manufacturing establishment that is carried on for the purpose of falsification and the misrepresentation of hon. members on this side of the House, carried on. I say, under the authority and by the direction of the right hon. gentleman who leads the Opposition in this House.

Some hon. MEMBERS: Order, order.

Mr. OLIVER: Might I ask if the hon. gentleman is in order in making this suggestion?

Mr. SPEAKER: If I understand correctly, he is making a statement with reference to some unknown individual or organization that may be inside this House or outside, with reference to news going out from here. Therefore, I think he would be in order as to the statement which he considers to be untrue.

Sir WILFRID LAURIER: Do I understand you to rule, Mr. Speaker, that the hon. gentleman is entitled to do anything but deny this statement? Can he make any insinuation against any persons inside or outside this House?

Mr. BORDEN: My right hon. friend has changed his mind very suddenly on that question. Within his own hearing the Prime Minister of Manitoba was characterized as a liar on at least two occasions by members on the other side of the House; but we did not hear a whisper of objection on the point of order at that time.

Sir WILFRID LAURIER: The Prime Minister of Manitoba in qualifying a certain act, made use of statements in the local House which he had no right at all to make. We can deal with that some other time.

Mr. BORDEN: Just as soon as my right hon. friend desires.

Sir WILFRID LAURIER: Very well.

Mr. OLIVER: I knew of no way to deny the assertion of the Hon. Sir Rodmond Roblin without giving the idea that he had told an untruth.

Mr. BORDEN: No one raises any objection. It is possible that my hon. friend may sometimes lack manners on such an occasion.

Some hon. MEMBERS: Order, order.

Sir WILFRID LAURIER: I rise to a point of order.

Some hon. MEMBERS: What is the point of order?

Sir WILFRID LAURIER: The point of order is that the right hon. gentleman has just charged a colleague in this House with lack of manners.

Mr. SPEAKER: I am not aware of any rule laid down as regards the specific words, but for the decorum of debate it

would be desirable not to use words except those that would be permissible in the best of company.

Sir WILFRID LAURIER: And that which is not permissible in the best of company is unparliamentary, Mr. Speaker.

Mr. ROGERS: I was undertaking to deny a statement that was false, misleading and dishonest, a statement reflecting upon my honour as a member of this House. And in doing that I was simply undertaking to give the source from which, in my judgment, the article emanated.

Some hon. MEMBERS: Order.

Mr. ROGERS: I think I was justified in that. And if I was out of order——

Mr. SPEAKER: I think the hon. member is quite in order. If he has reason to believe that the statement to which he refers comes from a certain source, he has a right to state it in this House, and it is for the House to determine whether the conduct of the individual, whoever he may be, is in contempt of the rights of Parliament or not; and, if it is in contempt of the rights of Parliament, then to deal with it.

Sir WILFRID LAURIER: I submit for your judgment, Mr. Speaker, that when an hon. member asks leave to make a personal explanation with regard to a statement concerning himself, it is his right to do so, and to deny the statement if he pleases; but he has no right to make a charge against another in so doing. He has a right to deny or to explain, but he has no right to make a charge.

Mr. SPEAKER: If I understand the rules correctly, it is the right of any member not only to deny the correctness of any allegations made concerning himself, but also to question the right of any individual to make them as against himself or against the House.

Mr. ROGERS: I am perhaps not surprised at my right hon. friend not being anxious to hear me state what I believe as to the source from which the information comes that implies an insinuation and an attack upon my honour as a member of this Parliament. I say that I honestly believe that that information comes from an organization called 'The Central Information Bureau of the Canadian Liberal Party,' conducted under the authority of the Right Hon. Sir Wilfrid Laurier, a manufacturing establishment which seems to be for the purpose of manufacturing slander and——

Some hon. MEMBERS: Order, order.

Sir WILFRID LAURIER: I rise to a point of order. I am connected with that bureau, I admit. But I do not admit that that bureau is a manufactory of lies. If the hon. gentleman says it is, I will call him to the proof of it.

Mr. SPEAKER.

Mr. ROGERS: If my right hon. friend will allow me to say what the bureau is doing, and if he will not acknowledge that it is a manufactory of even worse than lies, then I will be glad to apologize to him. If he will allow me, whether I am in order or out of order——

Sir WILFRID LAURIER: No. If the hon. gentleman wants to make a charge against the institution he has named, he can make it, but he will make it as a charge, specific, not otherwise. At present, the hon. gentleman has risen to vindicate his honour, which he is quite entitled to do. He can deny any statement made with regard to himself, but if he has a charge to make, let him rise and ask for an investigation, and I shall be glad to meet him.

Mr. SPEAKER: I think it is within the right of an hon. member to state what personally affects himself; but further than that I do not think it is permissible for him to go, on a question of privilege.

Mr. ROGERS: I will abide by your ruling, Mr. Speaker, and, for the time being, until I can put myself in order, I will spare my right hon. friend the information. But at the proper time, I will make clear the statement I wish to make. I think I have made it clear to the House and to the country that this scurrilous article is a mass of dishonesty in every respect so far as my administration of the Department of the Interior is concerned.

Mr. OLIVER: May I ask my hon. friend, as he has made some allusions to my administration of the department, if he will be good enough to place upon the table, without delay, all the papers in the department connected with this forest reserve, its reservation, the changes that have been made, and the transaction generally, so that members of the House may have an opportunity to consider the merits of the transaction.

Mr. ROGERS: I shall be only too pleased to ask the Minister of the Interior (Mr. Roche) to bring down these papers immediately, and to give the hon. gentleman all the information he requires.

THIRD READING.

Bill No. 22, respecting the Harbour Commissioners of Montreal.—Mr. Hazen.

CUSTOMS AND FISHERIES PROTECTION ACT.

Mr. HAZEN (Minister of Marine and Fisheries) moved second reading of Bill No. 35, to amend the Customs and Fisheries Protection Act. He said: This Bill was explained to the House at the time it was introduced, but perhaps I had better explain a little more fully at this stage. The Bill is for the purpose of repealing section 10 of chapter 47 of the Revised Statutes of 1906, and substi-

tuting another section therefor. Section 10 provides as follows:

10. Every ship, vessel or boat which is foreign, or not navigated according to the laws of the United Kingdom or of Canada, which, (a) has been found fishing or preparing to fish, or to have been fishing in British waters within three marine miles of any of the coasts, bays, creeks or harbours of Canada, not included within the limits specified and described in the first article of the aforesaid convention, or in or upon the inland waters of Canada, without a license then in force granted under this Act; or, (b) has entered such waters for any purpose not permitted by treaty or convention, or by any law of the United Kingdom or of Canada for the time being in force; shall, together with the tackle, rigging, apparel, furniture, stores, and cargo thereof be forfeited.

It has been found in the department that under that Act it is practically impossible to make seizures of foreign vessels that are within the three-mile limit and preparing to fish because, according to the opinion of the Department of Justice and the construction put on that section by the courts of the country, in order to enforce the provisions of that Act against a vessel which without authority is within the three-mile limit preparing to fish, you have to prove it is preparing to fish within the three-mile limit. In other words if the owner says: I was preparing to fish but I was making my preparations with the intention of fishing outside of territorial waters, you are powerless to enforce the provisions of this Act. We want to amend that section so as to provide that if a vessel is within the three-mile limit and is preparing to fish without license or authority to do so it shall be liable to the penalty of forfeiture. The result of the present wording of the law has been that on many occasions offenders have gone scot-free because the Act did not express what the intention of the legislature evidently was when the law was passed.

Mr. McKENZIE: Was it not held by Chief Justice McDonald in a case in Halifax that a vessel was guilty because it was preparing to fish within the three-mile limit and was not that decision sustained by the Supreme Court?

Mr. HAZEN: My information from the Department of Justice is exactly opposite.

The Bill contains another important amendment. Under the treaty of 1818 between the United States and Great Britain with regard to the North Atlantic Coast Fisheries, signed on October 20, 1818, article 1, would show that there was an agreement whereby in certain waters specified in article 1, fishermen and citizens of the United States have the same rights in regard to fishing as have citizens of Canada. Article 1 of that convention reads:

Whereas differences have arisen respecting the liberty claimed by the United States for the inhabitants thereof, to take, dry and cure fish on certain coasts, bays, harbours and creeks of His Britannic Majesty's dominions in America, it is agreed between the high contracting parties, that the inhabitants of the United States shall have forever, in common with the subjects of His Britannic Majesty, the liberty to take fish of every kind on that part of the southern coast of Newfoundland.

It then describes the coasts on which citizens of the United States have the right to take fish. In the drafting of this section of the statute the mistake was made of using the expression: 'foreign vessels' instead of United States vessels and the result is that not only citizens of the United States who, under the convention, have an absolute and proper right to fish in those waters, but citizens of all foreign countries as well who fish in those waters cannot be proceeded against or the penalties cannot be exacted, so fishermen from France or any other country can fish in these waters and we are powerless to prevent them. The wording is:

Every ship, vessel or boat which is foreign, or not navigated according to the laws of the United Kingdom or of Canada, which——

(a) has been found fishing or preparing to fish, or to have been fishing in British waters within three marine miles of any of the coasts, bays, creeks or harbours of Canada, not included within the limits specified and described in the first article.

The waters described are those in article 1 of the convention of 1818. This section really makes it impossible for Canada to enforce any forfeitures against vessels from France or other countries which come to fish in the waters in which citizens of the United States, under the treaty of 1818, have a right to fish while citizens of foreign countries have no right to fish.

The Bill now introduced repeals section 10 and substitutes a new section. It has been drafted by the Justice Department with great care and in their opinion meets the case. Sub-section (a) is as it is in the present Act, but sub-section (b), read in connection with the present section, says:

Every ship, vessel or boat which is foreign or not navigated according to the laws of the United Kingdom or Canada, which——

(b) has entered such waters for any purpose not permitted by treaty or convention or any law of the United Kingdom or Canada for the time being in force.

It is held by the Justice Department that that meets the case because the only ships or vessels which have any right to enter such waters by treaty or convention are the vessels of the United States and this provides that any vessels which enter these waters for any purpose not permitted by treaty or convention or any law of the

United Kingdom or Canada for the time being in force shall be subject to penalty.

Mr. PUGSLEY: What is to prevent vessels coming within the three-mile limit?

Mr. HAZEN: It is because they are coming within our territorial waters. Our vessels have no right to go within three miles of the United States nor have we the right to go within three miles of the Russian shore for the purposes of fishing. Nor have they the right to come within the three-mile limit for the purpose of fishing.

Mr. PUGSLEY: Has not a Norwegian vessel the right to sail up to within three miles of our coast under the common law?

Mr. HAZEN: The only purpose for which they have the right under the law of nations to come within the three-mile limit—the three miles having been held to be the distance because of the old idea that that was the distance from the shore at which a country could protect its coast by cannon shot when cannon carried three miles—the only purposes for which they can come within that limit are humanitarian purposes, such as making repairs, shelter, and obtaining wood and water. But if my hon. friend looks at this section a little more closely he will see that it says:

—has entered such waters for any purpose not permitted by treaty or convention.

There is no treaty or convention which authorizes or allows the vessels of any country except those of the United States to come within that three-mile limit for the purpose of preparing to fish, or for the purpose of fishing, and my hon. friend will see if he looks at this sub-section that the language used would remedy the trouble.

Mr. LEMIEUX: Are there not regulations common to both countries?

Mr. HAZEN: The regulations framed by the Hague Tribunal in regard to Canada and the United States, relate in the first place to the bays, as to the points where the three-mile limit shall commence, and the provision is that in all bays that are under the Crown and ten miles wide, there shall be drawn a line across the mouth of the bay and then a line shall be drawn from such line at right angles towards the ocean. There are a certain number of bays included in the provision, such as Egmont bay, Miramichi bay, Baie de Chaleurs, and in fact nearly all the large bays in which the points from which such line shall be drawn are actually fixed by the treaty, while in other cases the line is drawn from headland to headland at points where the configuration of the bays cease. The Bay of Fundy was excepted, while the Hudson bay is apart from the jurisdiction of the Hague Tribunal. The other provision had to do with regulations that would be made from time to time by Canada with regard to the fisheries within those waters prescribed by the treaty of 1818. Those regulations have been practically agreed to. There was a difference of opinion at one time between Canada and the United States because, while the sovereign right of those fisheries was found by the Hague Tribunal to be in Canada, it was felt that the regulations suggested were not consistent with this finding. A regulation could be promulgated by Canada without being first approved by the Government of the United States. The whole matter was satisfactorily arranged, however, after conference with the United States and Newfoundland, and as the matter stands at present, Canada promulgates those regulations and it is for the Government of the United States to take exception to them if they see fit. In such event there is a provision for a board, one member of which shall be appointed by the United States, and one by Canada, and if the two cannot agree upon a third, then the other representative shall be appointed by the Queen of the Netherlands. This is known as the Permanent Mixed Fishery Tribunal.

But the point I am bringing up just now as to the Hague Tribunal has scarcely any bearing on the matter under discussion, which is not aimed at the United States at all, but is for the purpose of making it clear that the vessels of the United States have the right to come in and fish in those waters under the treaty of 1818, and that other nations have not the right to do so. Under this Act it is impossible to take means to prevent them from operating, because in drafting that Act, which we are now seeking to amend, the word 'foreign' was used, when it was simply intended that the United States alone should have the right, as they have under the treaty, to fish in those waters. Now with regard to the other point. Subsection (c), taking it with the first part of the section, reads:

Every ship, vessel or boat which is foreign, or not navigated according to the laws of the United Kingdom or of Canada, which has entered such waters for any purpose not permitted by treaty or convention, or by any law of the United Kingdom or of Canada for the time being in force; and not being thereto permitted by such treaty, convention or law, purchases or obtains bait, ice, seines, lines or any other supplies or outfit, or transhipps any supplies, outfit or catch, or ships or discharges any officer, seaman, fisherman or other part of the crew, or ships or lands any passengers, shall, together with the tackle, rigging, apparel, furniture, stores and cargo thereof, be forfeited.

That section provides that if they enter those territorial waters, even if permitted by treaty or convention or by any law of the United Kingdom or of Canada to do so, and if they are not permitted by treaty, convention or law to commit acts in

violation of that treaty convention or law, then the ships shall be subject to forfeiture also. I think that the Bill, which has been very carefully gone over by the Department of Justice, will accomplish the object intended. I may say to my hon. friend from St. John that at first I doubted whether it remedied what it was intended to remedy. I am satisfied now that it does, and that it will accomplish, if it becomes law, what it is desired to accomplish.

Sir WILFRID LAURIER: What is the object of this Bill? What is the evil which it is intended to remedy?

Mr. HAZEN: My right hon. friend was not in the House when I gave the explanation, but I may say that there are two objects. In the first place, under that Act, citizens of all countries can go in and fish within the waters mentioned in article 1 of the convention of 1818, although that convention only gives permission to fish there to citizens of the United States. But citizens of other countries can do so, and under that section we are powerless to enforce our rights against them. The other point is, and this view is held by the Justice Department, that the law which now makes it unlawful for vessels having no license to come within the three-mile limit, and prepare to fish within the three-mile limit, means preparing within the three-mile limit to fish within that limit, and it is necessary to prove not only that they were preparing to fish but that they were preparing to fish within the territorial waters. Time and again it has been found in practice that where fishery officers have found vessels within the three-mile limit preparing to fish the owners say, 'we were simply preparing to fish outside the three-mile limit,' and it has been impossible to enforce the law.

Mr. PUGSLEY: I think there can be no doubt that paragraph (a) of what would be the new section 10 is a very great improvement upon the old section, and corrects an error which evidently exists in the present section. But I have very grave doubts as to whether paragraph (b) will get the department out of the difficulty which the hon. member says exists in enforcing the law. I understand that under clause (a) according to the view of the Justice Department, it is not possible to punish owners of vessels who are found within the three-mile limit preparing to fish, unless it can be proved that they were actually preparing to fish within the three-mile limit. My hon. friend says that is to be cured by paragraph (b). Let us see what paragraph (b) says:

Has entered such waters for any purpose not permitted by treaty or convention, or by any law of the United Kingdom or of Canada for the time being in force.

Is there any statute law allowing a steam yacht to come within three miles of the coast of Canada?

Mr. HAZEN: None whatever.

Mr. PUGSLEY: Is it illegal to do so?

Mr. HAZEN: It is not illegal if they do it for shelter or safety, I presume.

Mr. PUGSLEY: Is it illegal for a steam yacht to come from Boston to St. John? Do they have to ask permission to sail these waters and exercise the right of navigation?

Mr. HAZEN: There is absolutely no law?

Mr. PUGSLEY: Statute, not common law?

Mr. HAZEN: There is no law which permits them doing so.

Mr. PUGSLEY: Is my hon. friend prepared to say that it is contrary to law?

Mr. HAZEN: We could prevent it being done.

Mr. PUGSLEY: In what way—by ministerial action?

Mr. HAZEN: I should think that we could prevent it being done if they came for any purpose other than a humanitarian purpose, such as repairs, fuel, shelter, &c.

Mr. EMMERSON: Suppose it is for pleasure?

Mr. HAZEN: My hon. friend is raising a case that never will come up, but the opinion of the Department of Justice is that there is no such law.

Mr. PUGSLEY: It surprises me to have it stated that it is contrary to law for a vessel from a foreign country to sail the ocean within three miles of the coast.

Mr. HAZEN: I do not say it is contrary to law, but there is no law that I can find permitting it.

Mr. PUGSLEY: There is the common law and there is international law.

Mr. HAZEN: It could not be the common law. When we speak of the common law we refer to the common law of England. There may be some international law with reference to the comity of nations or something of that sort.

Mr. PUGSLEY: International law, I take it, is common law.

Mr. HAZEN: Not necessarily.

Mr. PUGSLEY: It is a branch of the common law; it is not statute law. What is the difference between common law and

international law? International law governs as between nations.

Mr. HAZEN: We speak of the common law of England.

Mr. PUGSLEY: Yes, there is a distinction in that way. The common law applies to rights as between individual members of the same state, whereas international law applies as between people of different countries.

Mr. HAZEN: If there is a treaty or law then paragraph (c) applies.

Mr. PUGSLEY: Paragraph (c) only relates to the transhipping of supplies, purchasing of bait and that sort of thing.

Mr. HAZEN: No.

Mr. PUGSLEY: Yes, it is entirely limited to the purchasing of bait, ice, seines, lines or any other supplies or outfit or the transhipping of any supplies, outfit or catch.

Mr. HAZEN: That is all we want to guard against.

Mr. PUGSLEY: That is all my hon. friend wants to guard against in that paragraph, but I understand that he wants to guard against a vessel that may come within the three-mile limit and in regard to which the officers find that they are preparing to fish. The officers want to be allowed to arrest them whether the intention is to fish within or without the three-mile limit.

Mr. HAZEN: Do not these two paragraphs (b) and (c) meet both cases mentioned by the hon. gentleman? Paragraph (b) provides for the case where, for any purpose not permitted by treaty or convention, they enter such waters. If the yacht that my hon. friend speaks of is not permitted by treaty or convention—and it certainly is not, and if it is permitted by international law—

Mr. PUGSLEY: Or by any law of the United Kingdom or Canada.

Mr. HAZEN: I do not think it would be a law of the United Kingdom or Canada. If it were in consequence of international law—

Mr. PUGSLEY: It must be a law binding on this country.

Mr. HAZEN: A law of the United States or Canada would refer to a law enacted by the United States or Canada for the protection of the fisheries, I would take it. But, suppose it does not come within that case, suppose that yacht comes in and suppose the yacht has a right to come in, then you have section (c) which applies—

Mr. PUGSLEY.

Having entered such waters for a purpose permitted by treaty or convention or by any law of the United Kingdom or of Canada for the time being in force.

If it could not enter the waters under section (d) it might have a right to enter under section (c).

Mr. PUGSLEY: That is only for the special purposes mentioned in section (c).

Mr. HAZEN: That is all we want to get at it for. We presume that this yacht had the right to come in under some law or treaty. If it is there we presume that there is some treaty or law which permits it to be there, and being there under those circumstances, it purchases any supplies, outfit or catch, or ships or discharges any officer, seaman, fisherman or other part of her crew, or ships or lands any passengers, it comes within this provision.

Mr. PUGSLEY: No, it is only where she purchases these things within the three-mile limit, but suppose that the vessel had left Boston and had all her tackle on board?

Mr. HAZEN: And she goes fishing?

Mr. PUGSLEY: No, but she comes within the three-mile limit; you could not do anything under section (c).

Mr. HAZEN: You might cover that point by adding the words 'fishes or prepares to fish within the three mile limit or does any act connected with fishing'.

Mr. PUGSLEY: You have that in paragraph (a).

Mr. HAZEN: I think we would cover everything by adding these words.

Mr. PUGSLEY: You are trying to do something that you cannot do.

Mr. HAZEN: The principal way of preparing to fish is really to buy bait and supplies.

Mr. SPEAKER: It seems to me that the discussion would be more in order in Committee of the Whole than on the second reading of this Bill.

Mr. PUGSLEY: We are both fishing for information, Mr Speaker.

Mr. HAZEN: I must apologize; I was proceeding as if this Bill were in committee.

Motion agreed to, Bill read the second time and House went into Committee thereon.

On section 1—foreign vessels fishing illegally.

Mr. HAZEN: My hon. friend (Mr. Pugsley) has raised a point that is worthy of consideration. I think it would be absolutely met, so that there could be no misunderstanding, by inserting after the word

'law' in the 24th line, the words, 'fishes or prepares to fish'; then let the other words follow. That puts it beyond any question.

Mr. PUGSLEY: Yes, that will do.

Mr. HAZEN: I am much obliged to my hon. friend for the suggestion.

Mr. McKENZIE: We have in Nova Scotia, particularly in North Sydney, very large dealings with French fishermen and these dealings have been going on for the last thirty years. French fishermen have been in the habit of coming in, buying bait, coal and supplies and it is going to create quite a disturbance and break up old associations and good business if the present conditions are disturbed. I have been in communication with the French consul at North Sydney, and he tells me that his people are watching this Bill with a great deal of concern, and that the Bill has created quite a flutter in France. A number of French trawlers came to North Sydney last year, and we did a trade with them to the extent of about $100,000, which we would like to conserve for our people. They were not interfering with the rights of our own fishermen in any way; they were fishing outside the three-mile limit, and nobody in that part of the country took exception to what was going on.

Mr. HAZEN: This law will certainly prevent the French fishermen from coming to ports of Canada for the purpose of buying bait and supplies. My hon. friend from Guysborough (Mr. Sinclair) has given a great deal of consideration to the question of steam trawling within the last few years.

Mr. SINCLAIR: Is this aimed at steam trawlers?

Mr. HAZEN: It would have some effect on the trawler business. The feeling of the fishermen in the United States as well as in Newfoundland is very strong against the operation of these trawlers. Last summer, together with the inspector of fisheries, I conferred in Washington with the United States authorities, and with Sir Edward Morris, Prime Minister of Newfoundland, who was there at the time, and we made arrangements then to have representatives on board these steam trawlers so that careful observation might be made as to what the actual effect of the trawling business is. The feeling of the Gloucester fishermen is said to be very strong against these trawlers and of course there are other interests in favour of them so that before coming to any conclusion to prevent their operation, it was deemed desirable that we should have the best information we could get on the subject. These steam trawlers come out from France. and operate outside of the territorial waters but they are capable of doing just as much injury to the gear of our own fishermen as are trawlers from the United States or from Newfoundland. There would be no great purpose served by stopping the trawling industry so far as the United States, Canada and Newfoundland are concerned if we did not do something to stop it so far as the French trawlers are concerned. The United States, Canada and Newfoundland could come to an agreement to prevent the outfitting and sailing of trawlers from their ports, but we are powerless as against the French trawlers, unless we take action in this way. Even then, we may have difficulty because France owns St. Pierre and Miquelon and the trawlers may be able to operate from these islands as a base. The officers of the Fishery Department do not believe it would be possible for France to successfully carry on the trawling industry unless her trawlers are permitted to come into the ports of Canada to buy bait and coal and other necessary supplies. There is no doubt in the world that if this provision were put in force it would prevent French fishermen from getting supplies from Canadian ports.

Mr. SINCLAIR: I did not realize that this would deal with the question of steam trawling.

Mr. HAZEN: It incidentally would.

Mr. SINCLAIR: Then I am in full sympathy with that phase of the Bill. I think it would be a very good thing, if we could devise some method to prevent French trawlers from working off our coast. The minister referred to bait, but I suppose he does not intend to say that the steam trawlers operate with bait. Then if there are sailing trawlers neither would they require supplies of bait. I understand that the French trawling business is carried on off the Banks by steam trawlers and sailing trawlers as well, which transfer their catch to larger vessels, which take it to France where it is cured and dried.

Mr. HAZEN: Does my hon. friend think that a sailing trawler could be operated from France; is not the distance too great. I understand the business at present is principally done with steam trawlers which go into Nova Scotia ports to get their supplies of coal?

Mr. SINCLAIR: Of course the steam trawler is the more destructive and more objectionable, but nevertheless I am informed that there are sailing trawlers engaged in the business. In the North sea there are a great many trawlers still running under sail, although the larger number of the fleet are operated by steam. Some of the trawlers operating in Nova Scotia are from Great Britain and

they would have the right to come into Sydney or elsewhere to obtain all the supplies of coal they require, and to properly protect our fishermen, it would be necessary to do something to prevent the British trawler as well as the French trawler from operating on our coast. I suppose it would be an easy matter for a French trawler to register in Great Britain. As I understand the British shipping law, it is a very easy matter to change the registry of a ship. All that is necessary is to go to the registry office, to make the declaration and to pay a small fee, and you can register in Great Britain a ship built in any part of the world. It would be very easy for the Frenchman to do that, although he might get into complications over his right to the bounty in his own country. The British trawler would still have to be dealt with unless we could secure in some way the approval and consent of the Imperial Government to the arrangement.

Mr. LEMIEUX: There is nothing to prevent fishing outside the three-mile limit.

Mr. SINCLAIR: There is no way at present of preventing a trawler from fishing outside the three-mile limit. As the minister has just stated, the Government is making some effort to obtain international relations with the United States, in which Newfoundland and Canada would join, by which this method of fishing would be restricted and our fishemen would be saved this destruction each year and protected from the great annoyances which they have to endure from the trawlers. I am thoroughly in sympathy with the minister's proposal; I trust he will be able to work it out, and to deal with the British Government as well in the interests of our fishermen. I have not yet been able to find out what the results of the investigation made last year are. I understand that the minister has some information; and if he would be good enough to bring it down. I am sure we would all be very much interested. My study of this question has led me to the conclusion that trawling is very destructive to the ordinary boatman, and that it is almost impossible for the boat fisherman to exist and carry on his business in competition with trawlers. There is no doubt that the investigation in the North sea has established the fact that in addition to doing injury to ordinary fishermen, the trawling method is very destructive to fish, and that the southern part of the North sea is to a large extent depleted of fish on account of the operations of trawlers. People who favour the trawlers will answer that by saying that the quantity of fish landed on the coast of Great Britain is as large as ever it was; that as a matter of fact it has been increasing year after year. The answer to that is that these fish are collected from distant regions. The boats that formerly worked in the North sea are now going all along the Atlantic coast, as far as Morocco on the coast of Africa, and as far north as Iceland and the waters of the White sea. The industry is kept up by the enterprise of the British fisherman.

Mr. HAZEN: I shall be very glad indeed to bring down all the reports we have from those officials whom we appointed for the purpose of taking observations during last summer as to the effects of steam trawling. The French fisherman has a very great advantage over our fisherman, because he operates in the same waters as our fishermen do, and is also paid a bounty by the French Government on the fish which he catches, and especially on the fish which he cures and takes back to France in a cured condition. As far as we can do so, we should frame laws so as to protect and assist our own fishermen as against those of other countries. A great deal has been written and said about steam trawling. Some two thousand trawlers are operating in the North sea at the present time. It is claimed by certain people that trawlers operating in the North sea not only do injury to the business of the ordinary fishermen, but that they also destroy immature fish to a very great extent, and in that way a permanent injury will be brought about to the fishing industry. Those who advocate steam trawling claim that trawlers do not destroy these immature fish; but that they collect and catch quantities of fish that would otherwise not be caught, and that there has been no lessening in the number of fish caught, as was stated by my hon. friend from Guysborough (Mr. Sinclair), since these trawlers became so numerous in the North sea. A convention, spoken of as the North sea convention, has been entered into by all nations whose vessels operate in those waters, and very elaborate arrangements have been made for policing the fishing grounds and enforcing order amongst those who are engaged in fishing. Each nation in turn supplies a ship which stays in those waters and enforces those police regulations. Those who advocate steam trawling claim that it has resulted in a more steady supply of fish being supplied to the consumers than was the case before; and that this is done without permanent injury to the source of supply. So far as Canada is concerned, the feeling of our fishermen is practically unanimous in opposition to the trawlers and they believe that injury is being done. No nation can pass laws that will affect the right to fish outside the territorial limit; it is the right of every man to go out on the high seas and fish without let or hindrance; but we could make certain customs regulations regarding the entering of our harbours by these vessels, regarding obtaining supplies and so on, which would make it impossible for

anyone to carry on this work in waters frequented by our fishermen, with the exception of France. My hon. friend, I think, has seen the correspondence which took place with the British Government on this question some years ago. The British Government was not prepared, at that time, to interfere in regard to the matter, without further evidence as to the destructive character of the work that was being carried on. We are trying to get that information now. If the United States, Canada and Newfoundland came to a practical agreement upon the matter after full investigation, I think that the Mother Country would be disposed to recognize the justice of our position, and do what it could to help us in the matter. Before we approach Great Britain again, it will be necessary for us to get together data upon which it will be possible for us to oppose a claim that the steam trawler is not interfering with our fishing business and thereby not against the business of the country.

Mr. CHISHOLM (Antigonish): I was not in the House when the discussion about steam trawling began, but, as I represent a county in which the fishermen have suffered a great deal from this method of fishing, I desire to call the attention of the Minister of Marine and Fisheries to the fact that trawlers on the shores of Antigonish have been fishing within the three-mile limit—at least I am so informed by the fishermen down there, and I have no reason to doubt the information they give. They state that sometimes these trawlers come within a mile and a half of the shore. If the fisheries protection cruisers were instructed during the fishing season to keep the trawlers outside the limit, something would be done to relieve the hand liners and other fishermen from the difficulties under which they now labour. They simply give up fishing on the coast when the trawlers come. They explain that it is not safe for them to put out hand lines, trawls and so on, because the steam trawlers destroy their gear, as they cannot be there all the time to watch. The fishermen of Arisaig, Georgeville and Livingstone's Cove have practically gone out of the business during the time these engines of destruction are about since the trawlers have come. Sometimes our fishermen have set out to get trawls at a distance of five or six miles from the shore. As the minister has stated, there does not seem to be legislation that will protect the fishermen when their fishing gear is out that distance. But I think the trawlers would not be so obnoxious if our fishermen felt that the law as it stands was being strictly enforced. Two or three years ago there was a prosecution of trawlers, and after that they seemed a little more careful for a while. But last year there was no prosecution, and they have grown bolder, and three of them were operating off the coast. I merely rose to call the minister's attention to the situation, in the hope that next season he will see to it that the trawlers are more closely watched.

Mr. HAZEN: The complaints referred to by my hon. friend as to the operation of steam trawlers within the three-mile limit around the shores of Antigonish and that section of Nova Scotia coast generally reached my department, and prompt instructions were given to those in charge of the fishery protection vessels on the Nova Scotia coast to use every possible means to prevent these trawlers coming within the three-mile limit and to take steps to have them punished if evidence were obtained against them.

Mr. LEMIEUX: That is, I take it, if they were trawling within the three-mile limit? They have the right to come in for supplies and so on.

Mr. HAZEN: They have the right to come in for humanitarian purposes of supplies, shelter, wood and water, but the complaint of the fishermen of Antigonish is that they have come within territorial waters to fish and have caught fish within those waters. We gave most positive instructions to the officers in command of our vessels on the coast of New Brunswick to take all possible means to prevent that being done during the past season. They have been unable to obtain any evidence against these steam trawlers for fishing within the three-mile limit on which a case could be founded, and they never caught any trawler within the limit. In view of the representations made to the department, only yesterday we sent special instructions to a special officer in Nova Scotia directing him to go to Antigonish and the district to which my hon. friend refers to obtain for us information that would show if these trawlers had actually come within the three-mile limit during the past season. If they can get that information—and, certainly, if the trawlers did come within the three-mile limit we ought to be able to get it—and if we find that the fisheries protection vessels that we now have in Nova Scotia are not sufficient for the purpose of guarding these waters against the operation of trawlers, we shall have to take means to obtain more vessels. The department is fully alive to the importance of the matter, and, so far as it could be done up to the present time, my officials advise we have taken all steps to protect the interests of the hon. gentleman's constituents and of others.

Mr. CHISHOLM (Antigonish): I grant the difficulty of obtaining evidence in such a case. It is hard for a fisherman to swear positively that the trawler was operating

within the three-mile limit. In the first place, it is hard to estimate the distance. In the second place, the trawler puts up the excuse that they were 'jogging'—that is, moving back and forth, but not fishing. I think there will be little relief for the fishermen unless a cruiser is kept within a reasonable distance of the trawlers, not once a month or two months, but enough to protect our coasts.

Mr. HAZEN: That has been done.

Mr. CHISHOLM: Not on our coast.

Mr. JAMESON: Is the hon. gentleman able to say how many trawlers have been operating there and of what nationality? How many American, how many Canadian, how many French?

Mr. CHISHOLM: I have been told there are three, all Canadian—or British rather. I know of no others.

Mr. SINCLAIR: I asked a question as to the nationality of these trawlers last session or the session before, and I was told that only one of those working on the coast of Antigonish and Cape Breton was registered in Canada and the others were British. The Canadian vessel referred to was the Wren, but the Wren has gone out of business as a trawler, and is 'drifting'—another method of fishing.

Mr. JAMESON: How many of them were French?

Mr. CHISHOLM: None of those of Antigonish. The French are all off St. Pierre and come into North Sydney.

Mr. McKENZIE: I am sorry this Bill is going to disturb old standing, satisfactory conditions in the part of the country from which I come. I venture to say that there is not a single line on the files of the department against the French trawlers. They have never fished off the coast of Nova Scotia or any part of the coast of Canada. To a very large extent they make St. Pierre their station, fishing around the grand banks of Newfoundland and other waters away from Canada altogether, and not interfering in the slightest way with the operations of our fishermen. From Guysborough along the southern part of Cape Breton and down to the northern part of the island, we have good fishing grounds that are occupied largely by our own people. Of course, I would not be in favour of any vessel or fisherman coming in there that would interfere with their rights. But these French trawlers simply come into North Sydney, and have come in for years and years past, for coal and bait. This bait they buy from our fishermen. When I speak in favour of selling bait, I am speaking in favour of our own fishermen. This bait is a small class of herring which comes in in tremendous quantities in the spring of the year. Our fishermen catch them and sell them. They cannot use them except to sell them as bait. If our fishermen are going to be cut off from selling this bait to the French trawlers, then they cannot sell it at all, and a large source of revenue which they now enjoy will be cut off. Why should such a small measure as this be adopted with the intent of preventing the trawler from operating? It is beginning at an infinitesimally small section of the business. I think it will be admitted by the minister that they cannot prevent the operation of the deep sea trawlers except by convention between the countries interested.

We cannot pass any legislation here that will operate beyond the three-mile limit and the only effect that this law will have as far as the steam trawler is concerned is that you will compel him to buy his supplies and land his fish in Newfoundland or St. Pierre and derive a prosperous trade of $100,000 or $150,000 a year from our ports. Our fishermen enjoy the sale of this small herring which is not sold for food but is fit only for bait. It is put up in large quantities in some places for bait and is kept in cold storage. No one has complained against these trawlers, this trade was not disturbing anybody, no person is finding any fault with it. The Magdalen islands sell bait in this way, St. Anne's harbour, Sydney harbour, Gabarouse and all the ports around there where the small herrings come in large quantities. It is rather a hardship when nothing can be accomplished by throwing this obstacle in the way that this old trade should be thrown to the winds for the fanciful idea that we are going to stop steam trawling by such legislation. We discussed last year the plan of preventing fish caught by steam trawlers from being landed anywhere in Canada, but we decided that the only effect of such a law would be to change the basis of their operations to places outside of Canada, to Newfoundland or some port in the United States, and since we could not prevent their fishing we thought we might as well have their trade within our territories. I do not wish to have the French trawler put in any worse position than the American trawler.

Mr. HAZEN: He is not put in a worse position.

Mr. McKENZIE: Yes, the American can get a license to do certain things, to buy bait and hire his crew.

Mr. HAZEN: No steam trawlers can get a license as the regulations are at present. They do not allow any steam trawler to operate within the three-mile limit and do not grant licenses to them.

Mr. McKENZIE: You would not prevent a steam trawler from coming in and getting a sailor? A steam trawler is a ship and if she comes into any port, and wants to hire a seaman there is nothing to prevent her, I presume.

Mr. HAZEN: She connot do it without a license and we will not grant any licenses to these steam trawlers.

Mr. McKENZIE: I take it that the Canadian or British trawlers operating in Canada to-day are not operating without men.

Mr. HAZEN: I thought the hon. gentleman referred to American trawlers.

Mr. McKENZIE: Any vessel coming into Canada, say a sailing vessel that is fishing, an American vessel with a license to fish or such license as this Government grants to an American vessel, has that advantage over a French vessel, which, whether sailing or not, cannot get a license. That being the case you are putting a French vessel in a much worse position than an American; she can do some business while the French vessel cannot.

Mr. HAZEN: The hon. gentleman forgets the tremendous advantage enjoyed by the French fisherman in being paid a bounty on his fish by the French Government.

Mr. McKENZIE: That is none of our business. We can pay a bounty if we want to. I am not talking for the advantage of the French fishermen, I am talking for the trade of a Canadian port. These French fishing vessels and trawlers bring trade and traffic and dollars and cents to Canadian ports. They do a business of $100,000 or $150,000 in the port from which I come and I protest against this legislation when there is no purpose served by it, while it throws that much business out of the country. There seems to be no reason for passing this legislation except that it rounds off an act regarding the confiscation of vessels for fishing or preparing to fish within territorial waters. I am satisfied of the correctness of my statement that the Chief Justice of Nova Scotia condemned a vessel found preparing to fish within the three-mile limit and that his judgment was confirmed by the Supreme Court. The finding was that if the crew of a vessel were found doing things aboard a vessel which were necessary acts towards fishing it was preparing to fish within territorial waters. The Gearing, I think, was the name of the steamer. If there was any trouble of that kind it could be remedied by a simpler means than disturbing trade conditions that have existed for thirty or forty years and are becoming more profitable each year.

Mr. SINCLAIR: The description of the coast waters of Canada in sub-section (a) might be held to be defective. The prohibition is within

Three marine miles of any of the coasts, bays, creeks or harbours of Canada.

Now take for example Chedabucto bay in my own constituency. I understand that the Canadian waters are indicated by a line running from the point on both sides of the land. We measure from the point of land on the Cape Breton side three miles out to sea, and from the point of land on the Nova Scotia side also three miles out to sea, then draw a straight line across, and inside that straight line are Canadian waters. But the centre of that line would be four, five, or perhaps six miles from the coast. Now this description is within three marine miles of any of the coasts, bays, creeks, or harbours of Canada. I think it should be within the territorial waters of Canada, because some of the territorial waters of Canada might be more than three miles from the coast.

Mr. HAZEN: This language follows the language of the Act we are amending, chapter 47 of the Customs and Fisheries Protection Act. I think that under the definition of the Hague tribunal as to what a bay is, it is perfectly clear that if you say within three marine miles of any of the bays of Canada, it means within three miles of the line which is drawn from headland to headland. I submit to my hon. friend that there cannot be much question about that. The language is the same as that used in chapter 47 of the Act.

Mr. PUGSLEY: I would ask whether, in order to accomplish the object which the hon. minister has in view, of preventing steam trawlers from fishing within the three-mile limit, it is worth while putting in these provisions in paragraph (c) which would have the effect stated by my hon. friend from Sydney of driving away from that port a very large and lucrative business which the merchants do. What object is to be gained by preventing fishermen who are not transgressing the law, who do not fish within the three-mile limit, from coming into harbours along the coast of Nova Scotia where they have been in the habit of going to purchase supplies or bait, to ship seamen, or to hire seamen, or to discharge seamen? The only object of those laws was to secure to our fishermen in the past certain safeguards against the fishermen of the United States by reason of the advantage which United States fishermen had of taking the fish into the United States without payment of duty, while our own fishermen were prevented from doing so. I do not think that anybody ever supposed that it was desirable

to prevent French fishermen, for instance, from going to the harbours of our eastern coast to purchase bait or to ship seamen, so long as they did not transgress our laws, or fish within the three-mile limit. I suggest that it would be reasonable to rise and report progress and to take a little time to redraft this section which would omit these objectionable provisions in clause 3. By doing so the hon. minister would still accomplish all he has in view. It seems to me that it is not desirable to disturb existing conditions so far as trade in Canadian ports is concerned, unless there is some good reason for doing so.

Mr. HAZEN: The argument advanced by the hon. member for North Cape Breton, is an argument clearly in favour of allowing the steam or beam trawler to carry on operations in non-territorial waters.

Mr. PUGSLEY: It is on the high seas.

Mr. HAZEN: He says that those steam trawlers are purchasing supplies in his constituency. Now that is contrary to the whole feeling of the fishermen of Nova Scotia as I understand it. They want the steam trawlers prevented from carrying on operations in the high seas, as far as we are able to prevent them. We have already prohibited them within the three-mile limit, and one of the best means of preventing them from carrying on their operations on the high seas would be to prevent them from getting in Canadian ports those supplies without which it would be impossible for them to carry on those operations. If we say to the steam trawler: you can go to Sydney or anywhere else and buy your supplies and ship seamen; no doubt the steam trawlers would continue the business. We should try to protect our own fishermen by taking steps that will make it impossible for the trawler to carry on its operations, even outside of the three-mile limit. I do not suppose that the hon. gentleman has had time to verify his figures. He speaks of $100,000 or $150,000 being paid for supplies. The steam trawler buys no bait. What it particularly buys is coal, for without coal it could not carry on its operations. The steam trawlers which come from the United States and from France lay in their supplies before they leave their home ports, and there is not very much in the way of patronage in the ports of Canada from those trawlers. The principal supplies that they purchase are of coal, and if we prevent them from getting coal at Canadian ports it would go a very long way towards preventing the continuation of this business which our own fishermen are unanimous in opposing, and which is considered by them to be very destructive to the fishing industry. The Bill has been very carefully considered. My hon. friend from North Cape Breton is perhaps not so closely in touch with the fishermen as the hon. member for Guysborough.

Mr. McKENZIE: Just as much.

Mr. HAZEN: Then I am surprised that my hon. friend is not willing to encourage legislation which will have the effect of minimizing the evil that results from the operations of the steam trawler. The matter has been discussed in this House on several occasions, sometimes at the instance of the member for Guysborough, and delegations have come here frim Nova Scotia in regard to the matter. While I believe there may be some advantage to my hon. friend's constituency in the matter of some supplies that are purchased by French trawlers, I think that the advantage is more than offset by the injury which the fishermen in that district believe is being done by the operation of those engines of destruction. In Newfoundlond the same argument as that advanced by the hon. member for North Cape Breton was brought forward, namely that it was a shame to prevent those fishermen from buying supplies of bait. But that view did not prevail with the people of Newfoundland who, anxious to maintain their fisheries against operations of a similar character, excluded the trawlers from the right of purchasing those supplies.

Mr. SINCLAIR: In case there should be any misunderstanding, I wish the minister to know that in my opinion this Bill is not going to meet the troubles which I have on the coast of my constituency, or in other parts of the eastern seaboard. We have no troubles at all with the French trawlers. This is a blow at the French trawlers alone. I think something might be done with the British and Canadian trawlers. There will be no relief to the fishermen I represent, because I have never had any complaint about the French trawlers. They work one hundred or one hundred and fifty miles out to sea. The trouble comes altogether from the British trawlers.

Mr. HAZEN: This question of trawling can be dealt with, so far as Canada, the United States and Newfoundland are concerned, by an arrangement between the three countries, but there is no point in preventing American and Canadian trawlers from operating unless we can also prevent French trawlers from operating. The French trawler has practically no interest in the fisheries that are operated by these trawlers and unless we can devise something that will make it difficult for the trawler from France to come across and operate in these waters there is very little point in trying to prevent trawlers from the United States, Canada and Newfoundland from operating in them.

Mr. McKENZIE: This provision is rather absurd. There is nothing within the power of this Parliament that can prevent a French captain from coming into North Sydney, putting coal on board a

barge, having that coal towed out beyond the three-mile limit and there putting it within his vessel. We can make that extremely difficult for the French captain, we can make this coal dearer, we can make it a hazardous operation for him to barge the coal beyond the three-mile limit, but he can continue to fish outside of the three-mile limit and carry on his trade just as he is doing to-day. My hon. friends from Guysborough (Mr. Sinclair) and Antigonish (Mr. Chisholm) are interested in the fishermen just as much as I am and I am interested just as much as they are. The whole northern coast of the county of Victoria is inhabited by hardy fishermen and if the operations of the French trawlers in any way interfered with these fishermen I suppose they would be against them. But I find that the fishermen all along the coast from St. Anne to North Sydney, and on the south bar in South Cape Breton, are anxious to sell bait to the French vessels, whether they are trawlers or not. They sell thousands of dollars worth of bait to these vessels at the points which I have mentioned, as well as at Gabarus, Louisburg and other points along the coast. I find that this Bill prevents a trade which has been going on for the last twenty years, and it is to be cut off without any conceivable reason by this Parliament. It is up to the minister and to the Government to explain to the fishermen of Nova Scotia why such drastic legislation is passed by this House, what purpose is served and who is benefited by it. I venture to submit that there is not a fisherman —and there are thousands in my county— who will raise a finger in favour of this legislation, but that thousands of them will vote against it if they have an opportunity of doing so, because it has taken away trade from them. Why should it be done? The old-time practice was to meet difficulties when these difficulties arise. It was not customary to pass a law in advance of the necessity. If it is found that these French vessels, by reason of exercising this trade within Canadian territory, may become an embarrassment to our own fishermen, then we can certainly pass legislation to stop them. But, while we continue to carry on a profitable trade with them, while our people are satisfied with conditions and their own rights and means of making a living are not interfered with but helped by reason of the fact that this trade exists, I submit to the minister that he is not helping the fishermen by passing this legislation. I do not suppose that the minister has any purpose in passing this Bill except to promote what he supposes to be the interests of the Canadian people. I submit that this legislation is not going to benefit anybody, but that it is going to injure quite a large number of people in my part of the country who have been for years making money and helping to support their families in this way, utilizing for the purpose a certain kind of fish that is fit for this trade and nothing else. This small herring industry will be completely destroyed once the fishermen are unable to sell the fish to the French vessels coming in for bait. My hon. friend from St. John (Mr. Pugsley) has suggested that possibly the real purpose of this Bill could be accomplished by different language being used and by a section drafted in such a way as to achieve the object the minister has in view without striking at a trade that perhaps it was not intended to strike at, especially when it would be very much better that this trade should be left as it is. It is possibly not necessary to refer back to it, but I am not at all clear that we have any right to interfere with vessels coming within the three-mile limit unless the nation to which the vessel belongs agrees to that interference. Our right to legislate against American vessels is by reason of a treaty. The Americans agreed by the treaty of 1818 that they should be deprived of certain rights. When we exercise certain rights over these waters it is entirely by treaty and these treaties can be enforced by legislation in so far as we are concerned. But where there is no treaty at all, only the natural right of every man in the world to sail the sea, I am not at all clear that we have any right to legislate away the ordinary, common, everyday right of any citizen in any navigable water in this country. There is no common law which gives us the right to do so and we cannot do it, as I have said, except by treaty. We have been taking to ourselves the right to make certain regulations which we can enforce within the three-mile limit, but if we have no right to prevent French fishermen from fishing within the three-mile limit, then it is difficult to enforce such a regulation. There is no common law by which we can prevent a French, a Norwegian, or any other vessel from coming within our limits and therefore such a regulation cannot be passed without the authority of a treaty. However, I am not going that far. What I want to remind the minister of is the sound, old Tory doctrine to leave well enough alone in so far as the trade of my part of the country is concerned.

Mr. PUGSLEY: The more one studies paragraph (c) the more important it seems to become. As far as the French are concerned this is a provision, directed against a friendly nation, apparently without any reason. My hon. friend the minister says that in the future they are going to try to make some arrangement with the United States Government and with the British Government by which trawling will be pro-

hibited on the high seas; in other words, it is expected that each country will pass legislation against its own people and prohibit them from trawl fishing on the high seas beyond the three-mile limit. Then my hon. friend says, in anticipation of that, we are now proposing to legislate against the French fishermen.

Mr. HAZEN: Against all foreign fishermen.

Mr. PUGSLEY: It is really French fishermen who would be most concerned. This section of the Bill will not only prevent a steam trawler from entering our ports and buying supplies, but it will prevent a merchant ship or an ordinary fishing vessel from entering our ports and buying supplies, or landing passengers, or doing any of the things which are prohibited under this section. There is nothing in the language used by the section which would limit it to trawlers. Is that proper legislation? Is it directed against the Japanese on the Pacific coast; is there something back of this Bill which cannot be disclosed, which makes it necessary to adopt this very mysterious language? Steam trawlers are not mentioned from beginning to end in the Bill. The minister says, the object of this Bill is to prevent the French steam trawling on the high seas, but have they not a perfect right to do so? The more one studies the Bill the more objectionable paragraph (c) seems to be. Why should we legislate to prevent the ships of friendly nations coming to our harbours to do ordinary commercial business? I do not understand that provision at all. It may lead to endless trouble and seemingly without any reason between Canada and France and possibly Japan. To my mind the section is exceedingly objectionable.

Mr. JAMESON: This Bill had its first reading on the 13th of December last and the Minister of Marine, in introducing it, made a very careful and fairly lengthy statement explaining its provisions. Two months have since elapsed and one would have thought that if hon. gentlemen on the other side of the House had any objection to the legislation, they would have been in a position to state it somewhat earlier than they did to-day. What is the objection which hon. members who are opposing this legislation make? It is simply that they object to this Parliament taking the necessary steps to exercise control within the territorial waters of Canada. The hon. member for North Cape Breton went further and said that he did not think the Parliament of Canada had any right to legislate in that regard unless there was a treaty giving assent, with the nation against the shipping of which this legislation might possibly be directed. When the hon. member made that statement he was, I think, speaking more for effect than for the purpose of placing on record his actual views. The main object of this legislation has been announced by the hon. minister, and incidentally the question as to whether or not it would affect steam trawlers operated from countries other than Canada, Newfoundland, and the United States, was brought up by the hon. member for North Cape Breton. We remember that last session hon. members opposite were very severe in their criticism of this Government because they had not taken steps, as they alleged, to prevent steam trawling. There have been for some time, regulations with regard to steam trawling within the three-mile limit, but it has been found that in the actual operation of steam trawling, this did not go as far as our fishermen and those interested in our fisheries thought it should go. Our fishermen feel that legislation to be effective in protecting the fishing grounds, in this respect, should protect the fishing grounds outside the three-mile limit. They contend that the operation of these steam trawlers over the fishing banks has the effect of injuring the fisheries and of frequently destroying the gear of our fishermen. One might think that anything which would tend to restrict that would receive the enthusiastic support of gentlemen on the other side of the House, but we find objection taken by them to this legislation because it is likely to affect in some degree the trawlers from France which come to this side and which, although they may not actually operate within the three-mile limit, do operate on the fishing banks outside of our territorial waters where our own fishermen ply their calling.

Mr. LEMIEUX: Are they not within their right to fish outside the three-mile limit?

Mr. JAMESON: Let us suppose they are but is it right that we should continue to allow them to injure our fisheries and our fishermen if we can prevent them by declaring that they shall not make the ports of Canada a base for their operations?

As the Minister of Marine has pointed out, it is possible that after further investigation, the United States, Newfoundland, and Canada may come to an arrangement which will prevent the operation of steam trawlers from these countries even upon the high seas. It is also probable, if that decision is reached by the United States, Canada and Newfoundland, that Great Britain would act sympathetically and would legislate to prevent British trawlers from coming on this side. That is the action that the Canadian fishermen on the Atlantic

coast desire this Government to take, and that is what they wish to see accomplished. Any step in that direction will meet with their enthusiastic support. I am sorry that hon. gentlemen on the other side of the House do not seem inclined to take that view of the matter.

Mr. PUGSLEY: Can my hon. friend suggest any reason why the prohibition contained in sub-section (c) as to doing certain business in a Canadian port is not limited to steam trawlers but applies generally to all vessels?

Mr. JAMESON: I think that what I said a moment ago in respect to that matter is an answer to the hon. gentleman's question. In the Maritime provinces we are about three hundred miles nearer to the valuable fishing grounds of the Atlantic than, let us say, our American neighbours. Is it right that we should give to others than our own fishermen the advantage of our geographical position? Is it right that we should leave our ports open for foreign vessels to use as bases of operation?

Mr. PUGSLEY: This is not against the Americans, because they come into our harbours and buy supplies under a license; it must be intended to apply against other nations.

Mr. JAMESON: That license must be renewed every year and it might be discontinued at some future time. I cannot see any reasonable objection to this legislation beyond the point made by the hon. member for North Cape Breton (Mr. McKenzie) namely that there is a certain amount of business done, locally, with these French fishing vessels which might be of advantage to the community particularly interested. From that point of view alone he would be justified in making the representations which he has made, although I think he has gone a little further in objecting to the legislation than he might probably have done, with regard to that. There cannot be any correction of the difficulties which our fishermen are subjected to in the Maritime provinces, by the steam trawlers, without a readjustment of conditions, and that might possibly cause some disadvantage in certain localities. I think that the Bill, taken as a whole, is one which will meet with the approval of the great majority of the fishermen of the Maritime provinces, and more especially those from the province of Nova Scotia, who have been particularly concerned over this steam trawling menace. Anything which will have a tendency to lessen the number of steam trawlers coming to our waters or operating over the fishing banks adjacent to our coasts, although they might be outside of our territorial waters, will meet with their enthusiastic support.

Mr. CARVELL: It seems to me that the ordinary construction of this section 10, while no doubt it is aimed at steam trawlers or probably at fishing vessels, is capable of being aimed at any vessel which sails the sea. I should like my hon. friend the Minister of Marine and Fisheries (Mr. Hazen) to consider this. I am not trying to obstruct this Bill, but I do not think we should have legislation placed on the statute-books which might be used as a means of unfairness later on. This section reads:

> Every ship, vessel or boat which is foreign, or not navigated according to the laws of the United Kingdom or of Canada, which——

Now I will go down to sub-section (c):

> —having entered such waters for a purpose permitted by treaty or convention or by any law of the United Kingdom or of Canada for the time being in force, and not being thereto permitted by such treaty, convention or law——

Suppose a German liner comes into the port of Halifax, on account of stress of weather, or an American pleasure yacht comes into the port of St. John or any of the maritime ports as a matter of pleasure, and they want to buy ice or other supplies. Does the minister think that this section would go far enough to make them liable to the provision that the vessel—

> —shall, together with the tackle, rigging, apparel, furniture, stores and cargo thereof, be forfeited.

Would a vessel such as I have described be permitted by any treaty, convention or law, to purchase ice or supplies, if it came into the port of St. John or of Halifax?

Mr. HAZEN: This section is only to be applied to vessels engaged in the fishing trade.

Mr. PUGSLEY: It does not say so.

Mr. HAZEN: There is no objection to adding a word that will make it perfectly clear that such is the intention.

Mr. CARVELL: Does the hon. minister concur with my view?

Mr. HAZEN: I do not say that I concur with my hon. friend's view; but I can add the word that will make it clear that the section only refers to fishing vessels.

Mr. LEMIEUX: I am rather in sympathy with the object of this legislation; but to be very frank, I am rather struck with what has been revealed to the House during the discussion this afternoon. My hon. friend will understand that I have some feeling for the Frenchmen. As we have a treaty with France, and as it is a very friendly nation, I think it will be a pity if we pass such legislation against the French fishermen. I do not say that it is the object of this legislation to do so; but I can see from the remarks made by—

Mr. HAZEN: At the present time no American fishing vessel can come into our ports except on paying a license. Why should we treat the vessels of other countries differently from those of the United States? This Bill is absolutely general in its operation.

Mr. LEMIEUX: I do not say that I will not support the Bill finally; but I should like to get more information as to the amount of business those French trawlers are doing in the ports of the Maritime provinces. Some of my friends from the Maritime provinces are doing a good business with them. We have a treaty with France; we are doing our best to improve our trade with that country, and it will be a great pity if we curtail the business that we have with the French people. I would suggest to my hon. friend the Minister of Marine and Fisheries that he let the Bill stand for a day or so in order to give us some statistics about the amount of trade carried on in the various ports with those trawlers, not only the French but those of other nations. We might then see to what extent the interests at stake are hurt by this legislation. I think there will be much friction if it is carried out. I do not object to the Bill primarily; I think it is good legislation; but as to that phase of it, it strikes me as being a little too vexatious. My friend from North Cape Breton (Mr. McKenzie) states that it affects the port of North Sydney to the extent of $100,000 to $150,000 a year.

Mr. HAZEN: The information we have in the department is that since the advent of steam trawling, this trade has been practically confined to the purchase of coal.

Mr. PUGSLEY: Has the matter come to the attention of the Minister of Justice, and does he approve of the section as it stands? The hon. gentleman will see that it applies to every ship that comes into Canadian waters and buys any supplies of any kind, unless it is expressly permitted by the treaty or by some law to do so.

Mr. HAZEN: I have told my hon. friend that it was intended to apply to fishing vessels.

Mr. PUGSLEY: Will the hon. gentleman limit it to steam trawlers?

Mr. HAZEN: No.

Mr. DOHERTY: I presume the answer of the Minister of Marine covers the practical point referred to by the hon. gentleman (Mr. Pugsley), and that an answer from me, is not necessary. However, I will say that, as the section stands, and as pointed out by the hon. gentleman it would seem to be desirable, if it is not intended to cover other vessels, to limit it, as the Minister of Marine and Fisheries has expressed himself as ready to do. And, in a general way, I would be inclined, on first reading, to think that it would apply to any vessel.

Mr. LOGGIE: I understand that the object is to minimize the injury done by trawlers. It seems to me that unless we control our Canadian vessels and British vessels we do not gain very much by this kind of legislation. Would it not be in the interest of all concerned if an Act were passed, to be brought into operation later, and in the meantime an arrangement made with the British people regarding British vessels, and some legislation made with regard to our own? Then the law could be brought into force by Order in Council.

Mr. McKENZIE: The hon. member for Digby pointed out that we were rather negligent in opposing this Bill. It is quite a long time since this Bill was read the first time, but possibly the Minister of Marine and Fisheries will remember that I asked him if this Bill was to be sent to the committee which usually deals with questions of this kind, the Marine and Fisheries Committee. His reply was that as this was a Government measure and consequently would not necessarily go to the committee. I think it was said to the minister that Government Bills very often go to committee. My purpose was to give our people, or any people who are interested, an opportunity to come before the committee. I did not lose sight of the point raised by the hon. member for Digby. Another point he made is one that I as a lawyer might explain. I desire to state what I really did say and what I meant. The hon. member stated that I said that we had no jurisdiction to legislate in regard to territorial waters of Canada— that is practically what he said. I said nothing of the kind. What I do say and what I did mean, is that we have no right within navigable waters except such as we make by legislation within our jurisdiction or such rights as are given us by treaty. We can make laws governing our own territorial waters, presuming these laws to be intra vires of this Parliament. We can obtain rights over territorial waters, or any waters by treaty, if all parties interested in those waters are agreed and become parties to the arrangement or treaty. And, as a matter of law, I state, that, in the open sea, unless there is some right given to the individual by reason of statute or treaty, everybody has the same rights there. That is the position I take, and I think it is the only sound commonsense view.

Mr. JAMESON: As I understood it the hon. gentleman's remarks they applied to the waters meant to be dealt with by this

Bill, and I understand that these are purely territorial waters.

Mr. McKENZIE: I have stated my position, and I think my hon. friend from Digby understands what I mean. As to the other point, that we neglected this Bill, I wish to say that I did not neglect it. I sent a copy of it to the French consul in my town—sent three copies so as to give him an opportunity of sending it home to his people in France. I might state that our French consul is not merely a citizen of our own appointed to the office, but a gentleman born and educated in the old land and residing in our town as French consul for the district, particularly for Sydney, Sydney Harbour and North Sydney. After consulting with his people in France, he writes me a letter. I think it right I should read that letter to the minister so that he may see the view the French consul takes.

Agence Consulaire de France,
North Sydney, C.B., Canada,
January 28, 1913.

Dear Mr. McKenzie:—

I am in receipt of yours of the 23rd, for which I beg to thank you. At present, French fishing vessels of all kinds, including steam trawlers, are allowed to enter Canadian ports and purchase bait, ice, seine, lines and coal, or any other supplies or outfit, and also to discharge their officers, seamen, and fishermen, or any other part of the crew. Under the amendment to the Act which you enclose I do not think this would any longer be permitted, as I am not aware of the existence of any treaty between Canada and France which permits these privileges.

The passage of this amendment would mean quite a loss to the ports of North Sydney, Magdalen Islands. Gabarouse, St. Anne, and, in fact, all the ports of Cape Breton and eastern Nova Scotia. In the spring, a large fleet of boats, out of this port, as well as the other ports mentioned, are engaged in herring fishing for bait and they find a ready market for bait from French ships from St. Pierre and France. This continues throughout the whole summer and last summer I advanced $750 to one vessel alone to purchase bait at Gabarouse.

Last summer, fourteen French steam trawlers practically made North Sydney their headquarters and I calculated the amount of money they spent at the port as being considerably over $100,000 for coal and supplies.

You will understand from the above that the fishermen at all the ports mentioned are vitally interested in this question and that the removal of the fishery trade from these ports, and particularly the port of North Sydney, would be a very severe loss.

Thanking you again for your courtesy in bringing this matter to my notice,

I am, yours truly,
E. Lanoit,
French consul.

I did everything I could in bringing this matter to the notice of the proper authorities and getting what information I could in regard to it so I do not fall within the criticism of the hon. member for Digby (Mr. Jameson) as having neglected this matter. I wanted to have it come before a committee but failing to get it there by the ruling of the minister, I waited until the matter came up in this form and secured such information as I could to place before the committee.

Mr. JAMESON: The hon. gentleman has misunderstood me. What I meant was that this discussion had gone on for some time before the points of the hon. gentleman were brought forward; it was not that I thought the hon. gentleman had neglected to communicate with his constituency.

Mr. SINCLAIR: I hope the hon. member for Digby does not think that any hon. member on this side is obstructing the Bill because there is no such purpose among my hon. friends. The hon. member for Digby endeavoured to give this discussion a political complexion a few minutes ago which I regret because I tried to deal with the question with an open mind and to avoid anything like politics with regard to it. But this question of steam trawling was made a political foot-ball by the hon. member for Digby and his associates in Nova Scotia. Resolutions were passed at their conventions in Nova Scotia condemning this method of fishing and promises were made that if they got into power the steam trawlers would be driven from the sea. On the coast of my county I was hounded by friends of hon. gentlemen opposite and condemned by them for not doing more than I was endeavouring to do in the House to prohibit steam trawling in Canadian waters. I do not think it lies within the right of the hon. member for Digby to throw accusations at hon. members on this side. The record of the Liberal party on this matter of steam trawling is better than the record, so far, of my hon. friends opposite. A very few weeks after the steam trawler appeared in Canadian waters an Order in Council was passed by the late Government prohibiting steam trawling in bays, harbours and coast waters of Canada on the Atlantic and the Pacific and it was supposed that that exhausted their power in regard to the prohibition of steam trawling. An attempt was made to secure from the United States and Great Britain and France an international arrangement by which steam trawling would be prohibited in the deep sea waters. That was started about the time my hon. friends came into power; that was left as a legacy to the Minister of Marine to carry forward and I was pleased to see that he was making some attempt although a very trifling and ineffectual one to redeem some of the promises made by his party while in power; but I must resent

any statement of the hon. member for Digby (Mr. Jameson) that there is any reflection to be passed on hon. members on this side in regard to their conduct in reference to this question. When this question was discussed in Nova Scotia very drastic proposals were made by the junior member for Halifax, (Mr. Crosby) and others in regard to it. One was that fish caught by steam trawlers should not be landed on the coast of Canada and we were condemned or accused for not prohibiting Canadian vessels. It was said: If you do not prohibit Canadian vessels, what is the use of talking about a convention with France or the United States? Begin at home. That was the policy of my hon. friends when in opposition. There is nothing in this proposal that touches Canadian registered steam trawlers at all, or British steam trawlers, and these are the only ones operated in Nova Scotia. I am not specially interested in steam trawlers on the banks of Newfoundland, one hundred miles from the coast. Of course they may be injurious to the deep sea fishermen.

Mr. HAZEN: The hon. member for North Cape Breton has read a letter saying that fourteen steam trawlers from France were purchasing supplies at Sydney.

Mr. SINCLAIR: They were fishing on the grand banks and not on the coast of Canada. The French trawler never interferes with the in-shore fisherman because the French trawler never gets near enough to him but he operates in deep water on the banks which are situated south of the island of Newfoundland, one hundred miles from the coast of Canada.

At six o'clock, House took recess.

After Recess.

House resumed at eight o'clock.

PRIVATE BILLS.

RICHELIEU AND ONTARIO NAVIGATION COMPANY.

Mr. LESPERANCE moved third reading of Bill No. 20, respecting the Richelieu and Ontario Navigation Company.

Mr. MACLEAN (South York): Mr. Speaker, I intend to propose an amendment to this Bill along the line of regulating the capitalization of the company to a further degree than that provided in the Bill as it now stands. This company is performing a public service in the way of transportation by lake and river, covering a great length of country from the head of lake Superior down through all the lakes and the St. Lawrence to at least the Saguenay river. It is a transportation company performing a public service, and the tolls that are charged for the public service performed are governed very much by the capitalization of the company, by the dividends that the company has to earn in order to provide interest on its capital. If the capital is large, the dividend requirements and the interest requirements must be large. Consequently the tolls charged by the company must be increased; whereas, if the company has a moderate capitalization and especially a capitalization composed of securities that are issued at a low rate, the tolls must be lower, or to put it in another way, can be lowered, because the dividend and interest requirements are not so great. Therefore, the public are largely benefited by the low capitalization.

It has been found all the world over in connection with transportation and all other public franchise companies that a regulation of the capitalization has had that result. The great movement in the United States now in the way of reduction of the charges in connection with transportation companies is in the direction of trying to get a recapitalization of the companies, and if possible to get a large amount of the water out of the capital that has been injected into it in the past. I do not for a moment say that the proposed increase of the capitalization of this company is for water purposes. I do not know; but certainly before they are allowed to increase their capital stock I say they ought to give, to some public body, a sufficient reason for doing so, and I would suggest that the public body be the Board of Railway Commissioners for Canada. We have established that board to regulate transportation companies. They have now charge of the rates of those companies; they have charge of the service. Every form that the service takes with respect to the public is governed by the Railway Commission. The conduct of the transportation companies towards the public in the way of construction and the operation of their lines is under the control of the commission, and to my mind it would be a good thing if this transportation company and every other transportation company were put under the control of the commission in the matter of capitalization. I come from a part of the country where this transportation company performs a very large service. To give some idea of its ramifications I wish to say that it represents an enormous merger. The Richelieu and Ontario Company is made up of what was formerly the line of boats that plied between Quebec and Saguenay, the line that plied between Montreal and Quebec, the line that plied between Hamilton and Montreal, and it now includes the Hamilton and Toronto boats, and the Toronto and Niagara boats, while it has also taken in all the old boats

on the upper lakes. So that up to the present time it has absorbed a great many local boat lines, merging these into one large company. These boats do a very large service both as regards passenger and freight traffic on lake Ontario, especially out of the city of Toronto, and particularly in connection with the fruit growers' trade that centres in the Niagara peninsula.

Mr. LEMIEUX: My hon. friend referred a moment ago to the new legislation in some of the states in the union. The other day I met the president of the Delaware and Hudson railway and he spoke to me of certain legislation which existed in the state of New York. My hon. friend mentioned the state of Massachusetts; does legislation exist also in the state of New York whereby a company cannot increase its capital before going before the commission?

Mr. MACLEAN: I will come to that in a moment. This transportation company, in which we in western Ontario are so largely interested, is also arranging some organization with a line of boats on the Atlantic; at least so I read in the newspapers. The Furness interest, as it is called, which is connected with certain lines of steamers on the Atlantic, is being more or less associated with the Richelieu and Ontario, which is an inland navigation company; and so the whole thing looks to me like a very large merger. Unless the public interest is protected in some way it will be absolutely to the disadvantage of the shippers and farmers of Canada.

Mr. LEMIEUX: And it works in close connection with the railway companies.

Mr. MACLEAN: Yes, it also works in close connection with the railway companies. Now the substantial feature in connection with transportation in this country last year and this year is the enormous increase in ocean freight rates in connection with the grain grown in our Canadian West. There is an increase of six cents a bushel, and this year has witnessed a decline in the price of the wheat of the West. What between the decline in the price of wheat in the West and the advance in the cost of transportation in the way of ocean rates, we have almost reached a point when it will not pay to raise wheat in the West.

Mr. PUGSLEY: Unless we have a larger market.

Mr. MACLEAN: Well, we will say it will be much more difficult for the western farmers to raise wheat, and I hope my hon. friends from the West will join me in this. I say that if freight rates continue to increase, if we allow the transportation companies to jump up the trans-Atlantic rates by six cents in the year without coming under control and the price of wheat continues to go down by reason of competition with other countries, we are very near the limit at which it will not pay to raise wheat in the West.

Mr. BOYCE: Does my hon. friend contend that the Railway Commission has jurisdiction to fix or control the rates of those companies at the present time?

Mr. MACLEAN: If they have not, they should have. They control all the steamship rates wherever they are connected with railways. If we have not control, I hope my hon. friend will see to it that we get control.

Mr. BOYCE: If we have not control, and I understand we have not—the Railway Act is quite clear on that point—does my hon. friend contend that we should give control under this particular legislation or with reference to this particular company, and not with reference to companies generally?

Mr. MACLEAN: We have largely control of those steamship companies by reason of their connection with railways.

Mr. BOYCE: It could be done by the general Act.

Mr. MACLEAN: In so far as they are connected with the railways, and in so far as we have not control, the Railway Act is defective, and it is up to Parliament to get control, for the great thing for the farmers in the West and for all Canada is to have control of all the railways and steamship companies, to have control of their capitalization, so that their charges will not be exorbitant as they have been in the past. That the great Canadian Pacific railway has unnecessarily watered its stock to the extent it has done with its enormous cash reserves, that it should have done what it has done in the way of capitalization is a reason why we should regulate every company that comes before us; and now we have this one, we should regulate it.

Mr. BOYCE: Not by special legislation.

Mr. MACLEAN: We will start here. If to-night we declare the principle that the Richelieu and Ontario Navigation Company must be regulated as to its capitalization it will be an intimation to all other companies that they must come under the same rule. We cannot wait until we get a comprehensive measure. It is a fine thing to roll in the mouth this comprehensive measure. It will come some day, but you can only solve these problems as they present themselves, and this one has presented itself to-night in connection with the Richelieu and Ontario Navigation Company. No injury would be done to that company if it had to go to the Railway Commission for authorization of an increase in its capital.

The late Postmaster General asked me: What about the state of New York? No transportation or public service company in the state of New York can increase its capital stock without the authorization of the Public Service Commission of that state. If any such company goes there for an increase of its capital stock, it has to show the commissioners that it needs the money, the purpose for which it needs the money and it must also show how it can be raised with the least charge on those who use the public service. If it can get the money on a bond issue of four per cent it is told to issue bonds so that the increase in the traffic charges by reason of the increase in capital is only four per cent, whereas if dividends of ten or fifteen per cent have to be paid on an increase in the share capital the traffic charges must be accordingly increased. In the state of New York they would not repeal that law and it promises to become a general law as the outcome of the investigations that have been made in the United States. I believe that the law of most account that will be passed within the next year or two at Washington will be a law to control the capitalization of public service companies upon the principal that if the capitalization is regulated the tolls will be governed accordingly.

To come back to the question of excessive charges in connection with western and all Canadian produce on the Atlantic, if we do not protest now, or if we do not in some way try to keep control of these companies and get more power over them, not only in regard to their capitalization, but in regard to their tolls, the trade of this country will be in danger. There is every likelihood that the settlement of the Canadian West will be retarded because, as I pointed out out a few minutes ago, the Canadian Pacific railway, by reason of the use of the capital it has accumulated out of unnecessary issues of stock, will merge everything. The first thing we know the inland transportation lines will be in this Canadian Pacific railway merger. There will be no competition with the railways by means of these boats and we must not shut our eyes to the importance of at least preserving our water transportation. We see how rapidly these mergers are being organized. The Richelieu and Ontario Navigation Company has probably ten other lines amalgamated with it at this present moment. It has an alliance on the Atlantic with the Furness people, to-morrow it may have an alliance with the Canadian Pacific railway and then good-bye to competition by lake and river with the railways. That competition extends from the head of lake Superior right down to the Saguenay river.

It has been argued that if we undertake to control any one company, or to regulate its capitalization, we interfere with the standing of our companies in this country. It was stated here the other night, we will be told to-night as we are told nearly every day in the newspaper press of the country, that we must not disturb the credit of the big corporations of the country by attempting to regulate them. The big corporations are unjustly treating the people by excessive charges, excessive earnings and unnecessary capitalization. It is time they were regulated. If the rights of the public are to be secondary to the rights of property and to the rights of companies then it is time that we told the people that this is the attitude of Parliament towards these things. But, I take it that the thing which is of primary interest in this country is the welfare of the people, that if the welfare of the people is concerned in a matter of this kind these companies will have to submit to some regulation. Anyway, I say now and once for all, that the rights of the public are more than the rights of companies and more than the credit of the country, if it comes down to that. We have been doing everything in Parliament for a great many years but trying to remove the grievances that exist in connection with corporations. We have not yet got so far as to give the people of the West the same railway charges that we give to the people in the East. We are discriminating against that western country all along the line, in the matter of telegraph, express and freight charges and everything of that nature. We are told we must submit to that because the credit of the country depends upon it, we are told that we must not interfere with the Canadian Pacific railway's rights to cut melons. This Richelieu and Ontario Navigation Company can cut a melon out of its $5,000,000 issue of stock that we propose to sanction, it can distribute that $5,000,000 among the shareholders of the company, or it can sell it to these shareholders at twenty-five cents on the dollar or it can use the money for merger purposes that may not be in the interest of the public.

Before the capitalization of this company is allowed to be used in that way we should insist that it must get the consent of some proper body, like that which exists in the state of New York, to increase its capital and that it should give the reason why. The company will suffer no loss by having to appear before the Railway Commission. It will be fairly and justly dealt with. While I am proposing an amendment which shall apply to an individual company, I say that regulation must start some time and I propose to start at every opportunity that comes up. If the Canadian Pacific railway come here for any kind of a Bill this year, I intend to try and put into that Bill that its capitalization shall be subject to regulation in the same way. It is said: Oh, but you are unjustly discriminating against all the roads and you are putting a burden on one. As I say, we have to start somewhere. We cannot get a comprehen-

sive law in this country, but if we start right now, if we make this change to-night, there will be no trouble hereafter in regulating the capitalization of these companies, while, if we refuse to-night to regulate the capitalization of this transportation company—and it is no worse but perhaps better than others—we simply whitewash the Canadian Pacific railway's recent melon-cutting up to the extent of $200,000,000. That company has unjustly issued $200,000,000 of stock within the last few years when it might have issued debenture stock at a much lower rate of interest. Not all of the proceeds of that stock went into the treasury of the company but a large portion went into the pockets of the shareholders and the people who used the road must pay dividends on that stock forever after. It is a rank injustice to the people of the country. This company before us to-night will be trying to do the same thing. We must not wait until we find a comprehensive measure applicable to all companies, although I am ready to join with any person in devising a comprehensive measure if it can be brought about. If we neglect to-night to regulate this company we whitewash the Canadian Pacific railway. We should tell all these companies that they are not to cut melons or unnecessarily increase their capital stock until such time as a comprehensive measure is passed by this House.

I could take up all night with this question but the House understands it and I do not wish to take up the time. I would just like to read a paragraph from a document that was sent to me yesterday. It is marvellous the letters and communications that come to me with respect to questions of this kind and my correspondence is rather interesting. It is coming from all quarters. I have here a pamphlet sent to me by a mining engineer who has investigated the Porcupine gold fields.

Mr. LEMIEUX: Does he belong to the same clan?

Mr. MACLEAN: He is of the Maclean clan; we are all together, running like the horses of the sun all abreast. Speaking of his overcapitalization in connection with mining, he shows what has happened in other directions, and he says:

> And not alone in connection with mining deals is this abuse prevalent. In the case of many great commercial flotations, including railways and industrials, trusts and securities companies, &c., there is scarcely any legal limit to the amount of water that may be injected or that has been injected, and it may be readily believed that this very practice has a real bearing on the question of social economics, and is an important factor in causing many disputes between labour and capital. Whatever the law may say, the practice cannot be defended on moral grounds, and the financial juggling which invariably accompanies it, is merely a thinly-disguised method of highway robbery, whereby real money is transferred either from the pockets of the many investors to the few promoters, or from the pockets of the workers or of the consumers in the shape of dividends to holders of scrip which represents absolutely nothing but water, so-called. So long as the law countenances these methods, just so long will they continue, therefore it behooves those who disapprove to raise a voice of protest until reform is inaugurated and this particular form of high finance placed in the category to which it properly belongs.

I want to put the financing of our transportation companies and of all public service companies under the control of the Railway Commission or some other competent authority. We had that principle affirmed here the other night when the member for Calgary (Mr. Bennett) with his wide experience, told us that the day had come for just such a thing, the member for North Ontario (Mr. Sharpe) spoke in the same way, and the Prime Minister said the Government had the matter under consideration and proposed to study it from both points of view. That is all very well, but some of us have studied it and those who do know from their study of the experience in other countries, believe that the day has come now for such an amendment as I propose to this Bill. I propose that we should commence this very night in connection with this company. Later on, when the Minister of Railways brings in his Bill for an amendment of the Railway Act, I intend to put a clause in that, if I have the opportunity, giving the regulation of the capitalization of all these companies to the Railway Board. In the meantime, to-night I have an opportunity of putting it into the Bill of the Richelieu and Ontario Company without any detriment to that company. No harm will come to the Richelieu and Ontario Navigation Company by reason of this amendment and I ask the promoters of the Bill to accept it. If they accept it they will be the first company to realize that the public have rights in this matter, and that the capitalization of all these companies should be under control. The amendment I shall propose is practically the law of the state of New York. In that state any company wishing to increase its capital would have to go through the process which I set out in my amendment. In the meantime I intend that the Richelieu and Ontario Navigation tion Company—a company which is probably rendering as high a service as any other transportation company in this country—should be regulated with regard to its capitalization. In view of the fact that we have not a general and comprehensive measure dealing with the question I propose to deal with these companies in

detail as they come before us in this House. We have in the Railway Committee an example of just such a thing, for when a Bill comes before that committee a number of model clauses are now inserted in it. The provisions in these model clauses do not apply to the old companies, but every new company that comes to that committee, and, for that matter, every old company which comes for an amendment of its charter, is compelled to accept these model clauses and gradually they are being extended to all companies. I trust that eventually these model clauses will be incorporated in a general Act. We are making progress; we are bringing all these companies constantly under the Railway Act. If we start now to make an additional model clause such as I propose in this amendment, and if we say that each company that comes before us shall be under the control of the Railway Commission with regard to its capitalization, we will be giving notice to roads like the Canadian Pacific railway that their capitalization hereafter must be subject to the control of Parliament. The greatest offence that has been perpetrated in this country against the public interest has been the recent increase in the capitalization of the Canadian Pacific railway. There was no control over the capitalization of that company and therefore it did what it liked: it issued stock which is likely to receive ten per cent dividends or even more, at a price less than it would produce in the open money market. The rights of that company, or the rake-off, or the cutting of the melon, went into the pockets of the shareholders, and no corresponding relief went to the users of the road. It is a great public scandal; it has got to be stopped, and if we start to-night and regulate this company we will be ready to regulate the Canadian Pacific railway and all the other railroads, until in the end we have secured control over all these transportation companies. I beg to move, seconded by Mr. Turriff:

That said Bill be not now read a third time, but be referred back to the Committee of the Whole with instructions to amend the same by adding to subsection 2 of section 1 the following:—

And until the company shall obtain an order from the Railway Commission of Canada authorizing such issues and the amount thereof, and stating that, in the opinion of the commission, the use of the capital to be secured by the issue of such stock is reasonably required for the said purposes of the corporation. For the purpose of enabling it to determine whether it should issue such an order, the commission shall make such inquiry or investigation, hold such hearings and examine such witnesses, books, papers, documents or contracts as it may deem of importance, in enabling it to reach a determination.

Mr. MACLEAN (S. York).

Mr. J. G. TURRIFF (Assiniboia): In seconding this amendment and supporting it in a few words, I do not feel that I am in the slightest degree doing anything against the interests of the Richelieu and Ontario Navigation Company. We heard from the president of that company the other day that the stock had always been sold at par; that there never had been a drop of water in the company; that the stock which is now to be issued is to be sold at par, and that it was to be used altogether in the interests of the company to enable them to extend their work. If that is a fact—and I have not the slightest reason for doubting it—then there can be no possible hurt or harm coming to the Richelieu and Ontario Navigation Company by telling them to go to the Railway Commission and to put their case before them, and get the necessary authority to carry out their project. I agree with everything my hon. friend from South York has said, and more particularly with his statements in connection with the rates on western wheat. Last season the cost of producing a bushel of wheat in each of the three prairie provinces just about equalled the price received. As I stated the other day, during the past season, it cost from six to eight cents more o carry a bushel of wheat from Fort William to Liverpool than it did during the previous season. This wheat comes over one of the railroads from the wheat fields to Fort William, thence by boat to Montreal and then on the ocean liners. In the Montreal papers a couple of days ago it was stated that the control of this Richelieu and Ontario Navigation Company was about to pass into the hands of the Furness people. It is currently reported that the Canadian Pacific railway has bought out the Allan line of steamships. The position is that the Canadian Pacific Railway Company and this Furness Company, when it gets control of the huge Richelieu and Ontario Navigation Company, which has already got its hands on, half a dozen or a dozen other companies, under a merger, will control the output of the three prairie provinces. If in one year the price of taking that wheat from Fort William has been raised six to eight cents a bushel, what may happen when practically all competition is eliminated? I can quite understand my right hon. friend the leader of the Government not wishing to single out any one particular company; but, if he will follow the advice of my hon. friend from South York (Mr. Maclean) and take up the case of each of these companies as they come forward for legislation, and they are coming every week of the year, it will not be long until we will have these companies pretty well under control. I can assure this Government that the cost of production of wheat and the price the farmer receives for it have got so nearly

alike that, if the freight rates go any higher, there is going to be not a profit but a loss in the production of wheat; and it is the interests of one or two companies now against the interests of seventy-five or a hundred thousand farmers in the prairie provinces. It is for this reason I am opposing this legislation; although I do not wish in the slightest degree to hamper or hurt the company. It is a big company, doing a big business, and if the capital that it is proposed to give them is used as my hon. friend the president of the company says it is going to be used, then I wish the company all success; but if the capital is going to be used for the purpose of further merging and raising the freight rate on wheat from Fort William to Liverpool, then I wish to see them go before some authority. If the Railway Commission is not the best authority, if something better can be found in the near future, it will be an easy matter to put the company under some new legislation in that respect. In the meantime we cannot do anything better than put that little restriction on them; it will not interfere with them, because as the promoter of the Bill, my hon. friend from Montmagny (Mr. Lespérance) stated the other day, they purpose doing everything right in connection with this matter. We are therefore doing them no injustice whatever; we are taking a step in advance, and it will be to the advantage of the whole of the Canadian people.

Mr. BOYCE: It seems to me that the amendment proposed by my hon. friend from South York (Mr. Maclean) in its wording does not carry out what he is contending for, and what my hon. friend who has just taken his seat is contending for. By the wording of the amendment, if it were carried by the House, it is impossible to carry into effect what was proposed in the speech of my hon. friend who introduced the amendment. If the amendment were carried, subsection 2 would read:

> The directors may increase the amount of the capital stock at any time to an amount not exceeding fifteen million dollars; but the stock shall not be increased until the resolution of the board of directors authorizing such increase has first been submitted to and confirmed by two-thirds in value of the shareholders present or represented at a special general meeting of the shareholders duly called for that purpose.
>
> And until the company shall obtain an order from the Railway Commission of Canada authorizing such issues and the amount thereof, and stating that, in the opinion of the commission, the use of the capital to be secured by the issue of such stock is reasonably required for the said purpose of the corporation——

And so on according to the reading of the resolution. In the first place, there is no such body that I know of as that mentioned in the amendment, and the amendment is out of order in that respect. There is no such body as the Railway Commission; it is improperly designated in the amendment, and that is one objection I have to it. The Board of Railway Commissioners of Canada has certain statutory powers; it has certain discretionary rights and privileges within the limits of its jurisdiction; but no such powers as these does it possess. Therefore, the amendment proposed by my hon. friend is that this Parliament is clothing the Richelieu and Ontario Navigation Company's board of directors with certain privileges, which, however, are not to be exercised until another body, which has no jurisdiction to give that power, has ratified that power and given directions as to how that is to be carried out, in short that Parliament clothes the Richelieu and Ontario Navigation Company with power to increase its capital stock; but says at the same time that that power shall not be exercised until a body, which has no jurisdiction whatever to do so, has regulated the amount of that increase and the manner in which the issue shall take place. My hon. friend the member for South York is a very ardent student of such questions; and some of the platitudes which he has uttered certainly apply as general principles to the conditions which exist in this country; but they are not applicable, and I contend cannot be made applicable to this particular legislation. It would be a manifest hardship to apply them under the circumstances. What my hon. friend should do is to introduce an amendment to the Railway Act. The idea of my hon. friend is to start right and go ahead. If my hon. friend gets in wrong, to use the vernacular, he will cause a lot of trouble and will be unable to achieve the very laudable object of serving the majority of the public in that matter, which he professes to do by these means. I contend that this House cannot attempt in private legislation to place upon the Board of Railway Commissioners a duty which it does not have and cannot get by its general powers under the Railway Act of Canada. Therefore the amendment proposed by my hon. friend, for the reason that I have mentioned, is absolutely futile; it can confer no benefits whatever on the public. The Railway Commission can do nothing under it; the Railway Commission cannot give its consent until the general Railway Act is amended. There is only one thing to do, and that is, if this be an evil, if it be desired to remedy that evil, let this House take into consideration the proper method of remedying that evil and remedying it in a general way so that it will apply to all companies and not apply improperly, harshly, unnecessarily and uselessly to one company. My hon. friend quoted the procedure in

the state of New York and in other legislatures of the United States of America. But he forgets, what members of this House will bear in mind, that in the state of New York a Bill of this kind goes automatically to a commission and is not dealt with by a committee of the House which is directly responsible to the people. This House is directly responsible to the people. We are promoting legislation under this Bill respecting the Richelieu and Ontario Navigation Company; it is private Bill legislation. We cannot by this legislation introduce a provision applicable to all companies. And as it is not applicable to all companies, so it is ineffective as applied to this company, because, were it passed, the Railway Commission would have no power or jurisdiction to take steps under it. Therefore, the radical result would be to grant a power which it is impossible to carry out, because a board improperly named in the resolution—not existent as named in the resolution—would be unable by reason of want of jurisdiction to act upon it. Therefore, the amendment is improperly drawn, it is irregular, and, for the general reasons I have attempted to show, should not be made applicable to this measure.

Mr. F. B. CARVELL (Carleton, N. B.): I stated, when my hon. friend from South York made his suggestion in Committee of the Whole, that I would support an amendment such as he proposed to introduce if he presented it on the third reading; and I wish now to deal briefly with my reasons for supporting that amendment. I have been somewhat surprised at the legal argument put forward by my hon. friend from West Algoma (Mr. Boyce), especially in view of the fact that that hon. gentleman, I understand, is expecting, in the very near future, to occupy a very high prominent position on the legal side of the Government of this country. In view of that fact, I think his opinion as to the jurisdiction and powers of this Parliament require more than a passing notice. I am afraid he stated his opinion off-hand and without consulting the statutes. I know that when he reaches that important position to which I have referred, he will have a staff of well-trained clerks under him to look up these matters for him. At present, I will do that, and would refer him therefore to section 10 of the Railway Act, chapter 37 of the Revised Statutes of Canada of 1906. It says:

> There shall be a commission, to be known as the Board of Railway Commissioners for Canada, consisting of three members appointed by the Governor in Council.

I presume the hon. gentleman knows that by amendment the number of the board has since been increased.

> Such commission shall be a court of record, and have an official seal which shall be judicially noticed.

It goes on to provide for their constitution—there shall be a secretary with duties so and so—how appeals are to be taken from their decisions—how the decision of the first commission as a matter of law shall govern, and various other matters which it will take too long to go over. Supposing that this Parliament stated that before the stock of this company should be issued the matter must be submitted to the Supreme Court of Canada and the certificate of the Supreme Court obtained, would the hon. gentleman say that the Parliament of Canada would have no jurisdiction to pass such a law, or that if it did pass it the Supreme Court would have no authority to act upon it? He might just as well argue that as to argue that the Board of Railway Commissioners would have no power to use the power which Parliament gave to them. I think he will require no further argument to show that his technical objections are not well founded. As to the merits of the case—

Mr. BOYCE: Before the hon. gentleman leaves that question, does he contend that under the Railway Act the Railway Commission would have power to do with regard to any company what it is proposed it shall have power to do under this Act?

Mr. CARVELL: No, that is the very thing we are doing now. We are proposing to give them power under this Act. The hon. gentleman forgets that we are in Parliament now. We are a part of the machinery which makes laws in this country. The only way you can make a law for the Dominion of Canada is by having it passed in the House of Commons and in the Senate and having it signed by His Royal Highness. And it is proposed that the Parliament of Canada in the exercise of its functions and jurisdiction under the British North America Act shall make a law to give the Railway Commission certain powers which they have not now.

Mr. BOYCE: By this amendment?

Mr. CARVELL: Let me give the hon. gentleman an illustration. Some years ago, probably in 1906 or 1907, we passed a law handing over the telegraph companies to the Railway Commission.

Mr. LEMIEUX: And cables?

Mr. CARVELL: Yes, and cables. Why, if this Parliament has power to legislate on the matter at all it has power to state the conditions under which this stock shall be issued. Parliament might, if it chose, make it a condition precedent to the issue of this stock that the signature of John Jones should first be obtained, or a decision

of the Supreme Court. And it has the same right to say that the Board of Railway Commissioners shall consider this matter, and give a certificate, as the hon. member for South York proposes. I do not think the hon. member for West Algoma (Mr. Boyce) wishes me to argue the proposition any further.

Now, as I was saying, let us come to the merits of the case. When this Bill was before the Committee of the Whole, I objected as strenuously as I knew how to the passage of the Bill, because it gave this company the right to dispose of its stock as it had a mind to, for such prices as it pleased, and to use the money not merely for the extension of the service and for the benefit of the corporation and undertaking, but, if it chose, to buy the securities of any other company, to use it for amalgamating with any other company, or to use for going into the railway business or any other business. I objected to that then, and I object to it to-night. I am inclined to believe that the amendment proposed here would overcome to a large extent what I saw is wrong in this provision of the Bill. Section 2 of the Bill as it has been amended, says that the company may—temporarily they say—invest any money they have on hand practically as they deem proper. The amendment proposed by the hon. member for South York would overcome that, because it provides that before this stock can be issued, the company must satisfy the Board of Railway Commissioners that they require the money, the purpose for which they require it, and how it is going to be spent, and the board must give a certificate to that effect.

Of course the board, after taking the necessary steps to get the information, would not grant the certificate except under conditions which would insure that the money was properly invested in the undertakings of the company and therefore you would get around the difficulty which I see in the second clause of the Bill. For that reason, if for no other, I would feel like supporting the amendment. In the committee the hon. member for Charlevoix (Sir Rodolphe Forget) volunteered a certain amount of information as to the purposes for which this money was required, but the paucity of the information furnished is one of the strongest reasons why some such amendment as this should be made. He said that they would spend $500,000 for terminals at Fort William, $750,000 for a steamer on the upper lakes, $250,000 for terminals at Toronto and later on they expected to build a large steamer which would cost $750,000. I do not know where that was to run. After that there was to be a steamer on the Quebec and Saguenay route, $500,000. That is altogether $2,850,000, only a bare majority of the stock this company is asking the right to issue, and if you allowed this company to carry out every improvement which the hon. member stated they had in contemplation, and he made it plain it might be years before it would be taken up, you would only take up one-half of the authorized extension of capital. But the hon. gentleman left the committee entirely in ignorance as to what they would do with the remainder. Therefore, it comes back to the fact that there should be something done to restrict them in regard to the expenditure of this money.

Mr. LANCASTER: Then would not the proper course be to refer it back to the Select Committee, which is the proper tribunal?

Mr. CARVELL: I have no objection, not a particle.

Mr. LANCASTER: Is that not better than this amendment?

Mr. CARVELL: I do not think so. I am in accord with every argument of the hon. member for South York (Mr. Maclean) to-night. In my judgment he presented an unanswerable argument as to why this provision should be incorporated in this Bill. As he said, there is no use in coming here and saying: You never did this before and therefore you should not do it to this company. There has to be a starting point somewhere. You are not singling this company out and saying it is worse than others; I believe it is better than most, that there is very little water in its stock and that it is carrying on a perfectly legitimate and proper business for Canada and we all want to see that it carries on as honourable career as it has done in the past. Therefore it seems to me that we ought to affirm this principle in this House, regardless of the Railway Committee.

An hon. MEMBER: It was not before the Railway Committee but before the Committee on Private Bills.

Mr. CARVELL: Whatever committee it goes before. The trouble is that the actions and view of the committees are not reported. I want to see the principle affirmed in this House, and to have the members on record. I want to see who are going to stand up for the people and who are going to stand up for the corporations.

CUSTOMS AND FISHERIES PROTECTION ACT.

The hour for private Bills having expired, the House resumed in Committee of the Whole the consideration of Bill No. 35, to amend the Customs and Fisheries Protection Act.—Mr. Hazen.

Mr. SINCLAIR: The question which we were discussing at six o'clock is of such

great importance to the fishermen of the maritime provinces that we cannot do better than devote a portion of our time to it. When the hon. member for Digby (Mr. Jameson) was on this side of the House he was accustomed to look on this mode of fishing as a vote-getting industry and it is difficult for him to adjust himself to the present position and refrain from using his old campaign speeches in this discussion. A discussion took place in this House on February 6, 1911—about two years ago. I shall quote some of the things which they said on that occasion. The hon. member for Digby said:

I cannot use words stronger than those used by the hon. member for Halifax (Mr. Crosby) in urging on the Government the necessity of taking some steps which will effectually prohibit the operation of these vessels in Canadian waters, and the landing in Canadian ports of fish caught by them.

You will note that my hon. friend refers not only to the prohibiting of these trawlers from working in Canadian waters but to the prohibiting of the landing of fish caught by them outside of Canadian waters. He goes on:

It may be that a large interest here and there will be prejudicially affected, but I believe that on the whole the end will justify the means; that the fisheries will be conserved and that the interests of the fishermen, which are worthy of the best consideration which can be bestowed on them by this House, will be benefited. I urge on the minister and the House that some steps be taken to protect the Atlantic fisheries of Canada by preventing the landing of fish caught in the trawls at Canadian ports and prohibiting within the three-mile limit the operation of these steam trawlers.

At the time the hon. member made that speech, the operation of steam trawlers within the three-mile limit had already been prohibited by the late Government but the hon. member also proposed that we should prohibit the landing of fish caught by the steam trawlers outside of the three-mile limit. My hon. friend the then junior member for Halifax, Mr. Crosby, made a long speech in which he endeavoured to lay down the policy of the Conservatives opposition at that time on this important question.

Among other things Mr. Crosby said:

If this Government could satisfy the hon. member for Guysborough and the hon. member for Antigonish by simply passing a minute of the council to say that they were not going to allow any steam trawlers to fish inside the three-mile limit they certainly could not satisfy the fishermen I represent by any such limitation. Nor could they satisfy the fishermen of Guysborough or Antigonish, or of any county in the maritime provinces. When my hon. friends get up and try to cover their tracks in this manner they must not forget that the fishermen in the maritime provinces know something about fish if they do not know very much about parliamentary affairs, and when the time comes for them to pronounce upon the position taken by these hon. gentlemen in regard to this question they will express themselves in no uncertain way.

Later on he said:

I challenge him here to-night, I defy him to contradict the statement, as I challenge the hon. member for Guysborough, that there is not a fisherman in the maritime provinces who is not against this. They are unanimous, not a single fisherman favours it, and I challenge either of these gentlemen to get up and say that I am mistaken in that view.

He was referring to the regulation existing at that date. Then he goes on:

That being the case, was it not up to this Government, in the interest of the people engaged in the fishing industry, that there should be no such thing as a steam trawler permitted in the maritime provinces? Was it not up to this Government not to pass this minute of council, not to allow them to fish outside of the three-mile limit, but to prevent them from fishing in Canada at all? If they had done that would they not have saved the fishermen of the maritime provinces?

Now, that is pretty strong language, but it shows the kind of fishing law we had to listen to when we sat on the other side of the House. If we are to judge from the speeches made by those hon. gentlemen in connection with this important question of steam trawling while they were in opposition, there were two things which they stood for. They stood for the prevention of the landing of fish caught by steam trawlers outside of the three-mile limit. I suppose we have the power to do that.

Mr. JAMESON: What does my hon. friend think about that?

Mr. SINCLAIR: I am discussing the policy which my hon. friend from Digby and his colleague from Halifax said ought to be carried out when they were on this side of the House.

Mr. JAMESON: What do you think about it?

Mr. SINCLAIR: The first thing they said was that we ought to prevent the fish from being landed. The second was that we should prevent Canadian trawlers from operating. I suppose we have the power to make a law that a ship registered in Canada cannot engage in that method of fishing at all. I suppose, also, that we have the power through our Customs Act to prevent the landing of the fish caught by steam trawlers. I was curious to know if my hon. friend from Digby, now that his party is in power, and he is an influential supporter of the present Administration and chairman of a very important committee dealing with this subject stands by the posi-

tion he took while he was in opposition. I may tell my hon. friend that at that time I did not take that view. I took the view that we could do more effective work by obtaining some agreement with the United States, France, and Great Britain to prohibit the catching of fish by that method on the banks and in the gulf of St. Lawrence in the places described as the spawning grounds of the fish. That was the view I took at that time, but I should be glad to do anything I can to support the Administration in any movement that is practicable and possible in connection with this important question. But as my hon. friend from Digby brought the matter forward and gave it a political appearance, I thought it was my duty to put on record the position he took when he occupied a place in the Opposition.

I wish also to draw attention to the fact that the Conservative party in the province of Nova Scotia looked upon this trawling question as an important issue in the elections in that province. In the county of Antigonish it was threshed out in every schoolhouse, and this was also the case in the county of Guysborough. At a convention of the Conservative party held in the town of Truro in 1909, the question was considered of sufficient importance for the provincial convention of the party to deal with. I have the minutes of the convention as reported in the organ of the party in Nova Scotia, the Halifax Herald. Permit me, Mr. Chairman, to read an extract from it:

The Liberal-Conservative party laid down their platform at a convention held at Truro June 30, 1909, as reported in the Halifax Herald, July 1, 1909. The evil of steam trawlers—E. Lavin Girroir, of Antigonish, brought up the question of protection of fishermen from steam trawlers. He said that the protection of the fishing industry within the three-mile limit is not effective, as the fish, in most cases, spawn outside the three-mile limit. The Dominion Government claims that it can do nothing outside that limit. The Government could effectually legislate against Canadian trawlers at least.

I wish my hon. friend the minister to note that statement.

Mr. HAZEN: I am paying the closest attention to my hon. friend.

Mr. SINCLAIR (Reading):

When they leave the steam trawlers alone they discriminate against the hook trawl fishermen. The steam trawlers are owned as a rule by wealthy companies, The poorer fishermen should be protected more effectually.

Clarence Jameson, M.P., of Digby made a splendid speech in regard to the matter, going into the subject fully. Other speakers also handled the subject, and at the conclusion the resolution following was unanimously adopted.

Here is the resolution:

We sympathize most profoundly with our fishermen in regard to the menace to our shore fisheries arising from the use of steam trawlers. The Dominion Government has failed to take action in this regard, and we condemn the local Government for failing to effectually urge the protection of our fishermen, and express the opinion that an international treaty should be promoted and such other steps taken as may effectually deal with the question.

You see, Mr. Chairman, that the statement is made here that the Dominion Government had failed to take action. Now I submit that that statement is not true.

Mr. JAMESON: Did not take effective action.

Mr. SINCLAIR: Did not take action is the way it was put here. If there is anything wrong with the report in the Halifax Herald, I am subject to correction. It is not usual for a convention of a great party to make a statement like that unless it is correct. Now, the Dominion Government had not failed to take action. This convention was held on the 30th day of June, 1909. About a year before that date an order had been passed by the late Government prohibiting fishing by this method in Canadian waters.

Mr. JAMESON: What is the date of the order?

Mr. SINCLAIR: September 9, 1908. It reads:

His Excellency the Governor General in Council, in virtue of the provisions of section 54 of the Fisheries Act, chapter 45 of the Revised Statutes of Canada, 1906, is pleased to make and doth hereby make the following fishery regulation:—

'The use or operation of vessels known as 'steam trawlers' operating 'beam,' 'otter,' or other trawls for the purpose of catching fish, is prohibited within the three-mile limit and in the bays and harbours of Canada.

Rodolphe Boudreau,
Clerk of the Privy Council.

That is a copy of the order which was passed nearly a year before the Conservative convention at Truro at which it was stated that the Dominion Government had failed to take action. They also took occasion at that meeting to condemn the local Government because they had not forced the Dominion Government to do something. The local Government politically was in sympathy with the Dominion Government, and they went out of their way to condemn the local Government for not having done something in regard to a matter over which they had not the slightest control. I am pointing out these matters to show you the difficulties we have to meet in connection with these gentlemen at the time when

they were in opposition to the Government of the day at Ottawa. I think they will have a good deal of difficulty in squaring themselves with the fishermen on the coast of Nova Scotia if they do not do the things that they said we ought to have done at that time.

I have a good deal of information in my desk with regard to this important question. I have drawn the attention of the House on various occasions to the fact that in my opinion this destructive method of fishing ought to be prohibited if it is possible. It is injurious to the fishermen, it is also injurious to the fisheries and if allowed to go on it will drive the inshore fishermen out of business and will deplete the fisheries. In the Library I came across a work on 'Sea Fisheries' written by a French authority, Marcel Herubel. On page 108 of this work I find the following:

A steam trawler, furnished with an otter-trawl, and working about twenty hours a day at an average speed of two and a half knots an hour, and trawling three hundred days in the year, will plough up the submarine soil over an extent of about 83,000 acres—nearly 130 square miles. Thus the 213 steam trawlers owned in France would exploit some 1,780,000 acres annually, or 2,780 square miles if they did not go over the same ground twice. In the light of these calculations, based upon the data given by M. Roche, we need not be astonished at the statement of the English inspectors of fisheries: 'There were last year (1902) about 1,200 trawlers in the North sea. Supposing that each vessel fished thirteen hours a day for 280 days with a 75 feet wide, and covered 17 square miles per month, which figures are quite normal, these 1,200 trawlers would suffice to cover twice in a year the whole of the 100,000 square miles of practicable bottom in the North sea.'

Recently the English Government has held an inquiry into the emptying of the North sea, and the Board of Agriculture and Fisheries has published the results. Here they are in a few words:—Since the introduction of the otter-trawl the number of plaice caught per diem has continually decreased. Between 1903 and 1906 the takings of flat-fish fell by 40 per cent. In 1903 the English steam trawlers landed 190,000 tons of fish, and the sailing trawlers 14,000 tons. In 1906 the numbers fell respectively to 140,000 and 12,000.

That extract shows what a serious question this is with regard to the future of the fisheries on our coast and I have no doubt that the best time to deal with the question would be before this method comes to be too well established. There are not very many vessels of this class at the present time owned in Canada. I do not know how many there are. I have heard it stated that there are some operating on the Pacific coast. In a newspaper extract which I have here the statement is made that the first steam trawler had arrived on the Pacific coast

Mr. HAZEN: There are none on the Atlantic coast now owned in Canada.

Mr. SINCLAIR: With reference to the Pacific coast, I have here the following statement taken from the Fishing Gazette:

New York, Oct. 19, 1912.

The steam trawler Canada is expected to arrive in Vancouver this week after a voyage of nearly 100 days from Grimsby, England, and will be followed in a few days by the trawler Trymple, both of which will engage in the fisheries for the British Columbia Fisheries Company. The steam trawler, G. E. Foster, the first of the three built for the Atlin Construction Company to operate from Prince Rupert, ran successful trials at Grimsby on September 28, and has left for Victoria on the way to the north.

The crews of the three vessels have been chosen from the best fishermen in Grimsby, and their initial operations from Prince Rupert will be on the lines of investigation, in addition to commercial advantages, so that fishing charts can be compiled for future use. The establishment of the Atlin Construction Company at Prince Rupert means an enormous development and use of capital in British Columbia.

It is significant that the first steam trawler built for Canada bears the name of one of the Cabinet ministers and I would draw the attention of the hon. member for Digby (Mr. Jameson) to this fact. I do not wish to be understood as being in any way opposed to the present measure. My objection to it is that it does not deal with the question in so far as the fishermen on the inshore fisheries are concerned. I do not know what injury has been done to the deep-sea fishermen of Canada by the French trawlers. This is not a question on which I have any special information. I do not know that the French trawlers are injuring the Canadian fleet of vessels working on the Grand Banks. If they are the question may be of importance to Canada in that way. I have very little sympathy with the proposal to prohibit sailing vessels from coming into Canadian ports to buy supplies. I do not think that the proposal is to the advantage of our fisheries. The sailing vessels from the United States which come into Canadian ports and trade with the people there, buying their bait and any goods that they require for their men, are doing no harm to any person. They are not an injury to the fishermen. We cannot prevent American vessels from operating on the Grand Banks. They come independently of us altogether. With the present facilities for cold storage I have no doubt that they can carry their bait with them, but if we are able to sell them bait and get their money to carry on the trade in the ports of Canada, I see no reason why we should prohibit sailing vessels from France, the United States or any country coming into the ports of Canada and

buying bait and supplies. It is bringing trade to our merchants and it is not injuring our fishermen. It is giving our fishermen a market for a class of fish that is not marketable anywhere else. I never could understand why certain hon. gentlemen took the view that it would be to the advantage of Canada to prohibit these sailing vessels engaged in the fisheries from calling at our ports and carrying on trade.

Mr. JAMESON: Is the hon. gentleman in favour of a continuance of the licenses issued to American vessels under the modus vivendi?

Mr. SINCLAIR: The modus vivendi has been in operation for a great number of years and I do not see any special objection. I do not see that it is doing us any injury. The American fishermen are not competing with our fishermen in any way. There is plenty of room for them all on the Banks, they are not destroying the fisheries and they are bringing a certain amount of trade to our freezers and merchants when they come. Take the town of Canso where the fleet of American vessels come in the summer months and buy supplies, ice and bait; they are our best customers. If they were driven away we would miss them very much. The view of most of our people is that if they were driven away they would be very much missed. I have attended the fishermen's meetings, I have discussed the matter with them, and I do not think there is any feeling among the fishing population in the part of Nova Scotia I represent against American sailing vessels or French sailing vessels engaged in the fishery, calling at Canadian ports and trading with the merchants and buying ice and bait and so on. I do not see why we should go so far as to prohibit that. If this Bill were directed against the trawler alone I would hold up both hands for it.

Mr. JAMESON: I was not in the House at the moment my hon. friend (Mr. Sinclair) opened his remarks, but I understood he referred to me as having made a campaign speech this afternoon. If he did draw that impression from anything I said, I can retort that he has wandered off into a similar field himself and that to-night he has made a very vigorous campaign speech which no doubt later on will be circulated by the central Liberal news-spreading bureau at Ottawa, among the fishing districts of Nova Scotia. The hon. gentleman said that when the question of steam trawlers was under discussion in this House on a previous occasion, I favoured the prohibition of the landing of the fish of from the steam trawlers at Canadian ports. Well, Sir, I believe that was in the best interests of those fishermen whose business had been injured by reason of the operation of the steam trawlers, and why my hon. friend (Mr. Sinclair) should criticise the view I then expressed, I cannot quite understand. I can say, however, that my view did not prevail with the then Government, which considered that the Order in Council it had passed, forbidding the operations of trawlers within the three-mile limit, was sufficient for the protection of the fishermen. But, as a matter of fact, we know from the statements made by the maritime province colleagues of the hon. member (Mr. Sinclair) on his own side of the House, that the protection which the fishermen got under that Order in Council amounted to practically nothing at all, and that during the time the late Government was in charge of the affairs of the country, after the passage of that Order in Council in 1908, the steam trawlers did operate within the three-mile limit, and there was no effort made to suppress them.

Mr. SINCLAIR: They did not operate on the coast of my constituency.

Mr. JAMESON: The hon. member must have overlooked the statements made by the hon. member for Inverness (Mr. Chisholm) in the House some time ago.

Mr. SINCLAIR: I speak for my own constituency; the law was very well enforced there.

Mr. JAMESON: I am glad to hear it was enforced somewhere, because it is very well understood it was not enforced in other parts of the province of Nova Scotia. The hon. member for Antigonish (Mr. Chisholm) told us to-day it had not been enforced.

Mr. CHISHOLM (Antigonish): Last summer.

Mr. JAMESON: The fact of the matter is that that Order in Council was defective, and whether it was intentionally defective, or accidentally defective, and its defects not cured under the late Administration, I am not prepared to say. At all events, the Order in Council worked out in this way, as I am informed in the case of the captain of the Wren; under the Order in Council you might proceed against the captain, you might arrest him, fine him, or imprison him, but the steam trawler still operated under some other captain. The legislation we are now considering provides that if, in a similar case there is a breach of the law, the captain would not be proceeded against, but the ship itself would be confiscated. That strikes at the very root of the evil, and yet my hon. friend (Mr. Sinclair) who professes to be so anxious to put an end to steam trawling, does not approve of it.

The hon. gentleman (Mr. Sinclair) referred to the resolution relating to steam trawling passed at a convention of the Nova Scotia Conservatives in 1909, which resolution stated that the provincial Government had been derelict in its duty in this matter. I presume the hon. gentleman

intended us to conclude from his remarks that he saw no reason why the provincial Government should be mixed up with it, but I may be permitted to call his attention to a resolution which was passed last year in the Nova Scotia Legislature, strongly condemning steam trawling, and stating it was doing very considerable injury to the fishing grounds. There was an interesting debate in the Legislature with respect to steam trawling on a motion that had been discussed at considerable length, and the amendment to which I refer was moved by Mr. Tory in the place of an amendment previously moved by him, and it was unanimously adopted. Mr. Tory, although his name does not suggest it, is a supporter of the Liberal Government in Nova Scotia and represents the county of Guysborough. I quote from page 173, Debates and Proceedings of the House of Assembly of Nova Scotia, 1912.

Beam trawlers.

Hon. Mr. Murray moved the resumption of the debate on the subject of beam trawlers.

Mr. Margeson said the amended resolution as agreed upon was perfectly satisfactory to him, the objectionable portion of the amendment as first moved by the hon. member for Guysborough (Mr. Tory) having been struck out. He, therefore, with the consent of his colleague from Lunenburg (Mr. Zwicker) would withdraw the resolution as moved by him in favour of the amended resolution.

Mr. Tory, in place of the amendment previously moved by him, moved the following resolution, seconded by the hon. member for Richmond (Mr. Bissett):

Resolved, that this House reaffirms the resolution unanimously adopted on the 5th day of April, 1909, as follows:—

That this House deem it imperative to advise the federal Government, and it is hereby so advised, of the impending danger to the provincial fisheries from the introduction and use in pelagic waters adjacent to the coast of the devices called otter-trawls operated by steamers from the British islands and from France, from which a great influx is contemplated the coming season to the imminent peril of the said fishing grounds as threatening to deplete them by a method proved the most destructive to the food fishes and their spawn, a fact tacitly admitted by the Dominion Government in debarring said trawlers from the littoral waters.

And further resolved, that the federal Government be hereby memoralized to set in motion the powers of diplomacy through the Imperial Government to bring about an international convention between the countries immediately concerned for the suppression of the said manner of trawling in open sea.

Further resolved, that in view of the very great importance of this subject to the fishermen of this province, of their very strong desire that steam trawling be prohibited and of the necessity of the fullest co-operation on the part of the Canadian Government at this particular juncture, this House places on record its exception to any views intended to raise doubts as to the injurious and destructive effects of steam trawling upon our fisheries.

That resolution, as I have said, was unanimously adopted in the Legislature of Nova Scotia at its last session.

In that resolution particular reference was made to the steam trawlers from France, which it was said were doing great injury to the fishing grounds adjacent to the coast of Nova Scotia. My hon. friend the member for North Cape Breton (Mr. McKenzie) to-day in reading a letter which he had from the French Consul at the port of North Sydney, showed that fourteen of those steam trawlers from France had been operating out of that port or at least getting their coal and certain other supplies at that port during the past year. This legislation may prevent those trawlers from coming to that or any other Nova Scotian port; it is right along the lines of this resolution adopted unanimously by the legislature of the province of Nova Scotia; it is entirely in line with the views of the hon. gentleman in that legislature from the very county represented by my hon. friend from Guysborough (Mr. Sinclair); yet it would appear that these two gentlemen are entirely at variance with regard to the views they hold respecting this matter.

Mr. SINCLAIR: Does my hon. friend mean to say that that resolution does not ask the question to be dealt with from a Canadian standpoint as well as from a French standpoint? Does he understand the resolution to mean that by prohibiting the French trawlers from working on the coast of Canada, the whole question would be settled?

Mr. JAMESON: My hon. friend has spoken too soon. If he had waited a moment, I intended to say that this Government has within the last twelve months, as the Minister of Marine and Fisheries stated to-day, taken up this subject of the prevention of the operation of steam trawlers, in waters adjacent to the coast of North America, with the governments of the United States and of Newfoundland, and he has also taken the subject up with the Imperial Government. If a convention or basis of agreement is arrived at with respect to the Governments of Newfoundland, Canada and the United States, that matter is settled in so far as they are concerned. If they agree that no steam trawler shall be brought into these North Atlantic waters, Great Britain will, no doubt, coincide in that; and this legislation contemplates the exclusion of all other steam trawlers from these waters; yet my hon. friend does not seem to be in sympathy with it.

Mr. McKENZIE: The words 'steam trawlers' are not mentioned in the legislation at all.

Mr. JAMESON: My hon. friend took the objection that it was going to exclude steam trawlers from the port of North Sydney in which he was interested; and on the strength of that objection, this whole debate originated.

Mr. McKENZIE: There is not a word in this Bill about steam trawlers. I venture to suggest that these trawlers are not contemplated by this Bill. What I might say about it does not change the purport of intention or operation of the Bill.

Mr. JAMESON: In view of what my hon. friend has said, I am constrained to sit down and say nothing more about the matter. I always imagined that whatever the hon. gentleman said in this House was supposed to go. I believed that the view he expressed before dinner was the correct one with respect to the exclusion of steam trawlers under this Bill. If he says it is not correct that steam trawlers are excluded under this Bill, the whole case so far as his argument is concerned, has entirely exploded and the question is closed.

Mr. CHISHOLM (Antigonish): The hon. member for Digby (Mr. Jameson) has tried to convey the impression that hon. gentlemen on this side of the House are not in sympathy with this legislation. If it has the effect of restricting in any way the operation of beam trawlers, for myself I wish to say that if the proposed legislation will in any way minimize the evil that the shore fisherman are complaining of, and will in any way tend to relieve them from the injustice which they have been suffering from since steam trawling has been conducted on our shores, I hold up both hands for it. As far as I can follow the argument of my hon. friend from Digby, he does not say that this legislation will to any extent assist the fishermen so far as their complaints at present are concerned; but he says it may be a stepping stone to something else that will have that effect. I have read over the Act and I cannot see how the question of steam trawling is affected in the slightest by it; but inasmuch as we have the assurance of the hon. member for Digby, and I presume he has been in touch with the hon. Minister of Marine and Fisheries, and knows more about what is intended by this legislation than we can see from reading the Bill, so far as I am concerned, I have no objections to the Bill. I am quite sure that my hon. friend from Guysborough (Mr. Sinclair) in his remarks made no objection to the Bill if it will have the effect as suggested. Before six o'clock, the hon. member for Digby expressed surprise that hon. members on this side of the House were not more enthusiastic over a measure which in his imagination had some merit in it, because it was going in some way, which he has not yet made clear, to remove the grievances of our fishermen. I submit that he had no warrant for that. Nothing was said by hon. members on this side of the House to justify any suggestion that they were not in the fullest sympathy with any legislation that would tend to reduce the evil of steam trawling. For my part I have such sympathy with the fishermen and such a strong prejudice against steam trawling that I would go to the length of exterminating trawlers altogether, if we could do so by legislation; but to come down to the point, which after all is the position of my hon. friend from Digby and the hon. gentlemen on the other side. They say that the legislation which was passed by the late Administration, the Order in Council passed in 1908, is not effective. Surely it must have occurred to my hon. friend from Digby, who is burning with such zeal for the welfare of our fishermen, that he should have hied himself to the Minister of Marine and Fisheries and got an Order in Council passed that would have the desired effect. He did not do so; the Government has been in power now for nearly two years, and we have not yet heard of one single step they have taken towards improving the legislation that exists or doing anything to relieve the fishmen of the grievances which they are complaining of. It is all very well for my hon. friend to say that the present Government is in conference with the authorities at Washington and with the government of Newfoundland. Our fishermen want more than that. Passing resolutions and making nice speeches are not sufficient for our fishermen; they would like to see some action taken. What is the trouble with the present Order in Council? Does not the Order in Council passed by the late Administration prohibit fishing by means of steam trawlers in the territorial waters of Canada? Can the present administration go any further? Could the late Administration have gone any further that it did? If so, I should like my hon. friend from Digby to tell me how the late administration could have gone any further than they did. He says that the Order in Council is defective. Where is it defective? He cannot tell us. That Order in Council is to be read with the Fisheries Act as it exists. It is quite sufficient if it were only put into effect. It may be difficult to put it into effect, and perhaps it has not been put into effect as well as it should be. He referred to the case of the Wren. I think my hon. friend when he was reading the debates before him, must have gone over a speech which was made by Senator Girroir, who discussed this matter in the local legislature at Halifax last winter. He also took the same ground. He stated

that not only was this order useless but no use was attempted to be made of it. In fact he went so far as to intimate that the late Administration arrested the captain of the Wren but did not bring him to trial or that he was not effectively prosecuted. This statement is entirely misleading; it is entirely at variance with the facts. I know the circumstances in connection with the prosecution of Captain Smith, of the Wren, for I was instrumental in having it instituted. I know that the case was prosecuted before the magistrate in Malignant Cove, by Mr. Hockin. The fishery officer did not have sufficient evidence and it was necessary to adjourn from Malignant Cove to Antigonish town. It seems that the adjournment was made without there and then stating specifically the time and place to which it was adjourned. The adjourned hearing took place in Antigonish, a conviction was made and Captain Smith was arrested and put in a jail. Application was made for his release under habeas corpus, and on the application objection was taken to the proceedings on the ground that the hearing was adjourned from Malignant Cove to Antigonish and the time and place to which the adjournment was made had not been specifically stated. And the conviction was quashed on this ground and Captain Smith released. But, so far as the administration of justice was concerned, so far as the Government was concerned, everything was done to convict that man. And he was convicted and sent to jail, where he remained until he was released by due process of law. The fact that he was released on a technicality was not the fault of the department or the prosecuting attorney, or any one in connection with the prosecution.

Our friends on the other side, when they were in opposition, used to taunt the Liberals and supporters of the late Administration by saying that relief was not afforded to the fishermen. They said that if they had the doing of it, the fishermen's grievances would be a thing of the past. Now, what have they done? What legislation has the Minister of Marine and Fisheries passed since the present Administration came into power to lessen the grievances under which the fishermen suffer? None. Perhaps it is because they could not do any more than had been done before. But why are they not frank and honest about it? Why do they not say: When we were in opposition we were playing the game of politics; we sought to deceive and mislead the fisherman; we held out hopes to them and tried in every way to misrepresent the facts and the attitude of the Government at that time in order to get votes? That is exactly the situation. But the fishermen are not so easily deceived. Nor are they unreasonable. They have a grievance. The situation is that unless something is done in the manner suggested to the Minister of Marine and Fisheries—that is, by arrangement with the Governments of England, Newfoundland, the United States and others, for I can see no other way—our shore fishermen will have to go out of business. But why do not our friends on the other side admit when they tried to arouse the hopes of the fishermen by saying that they were going to stop this method of fishing by prohibiting the landing of fish from trawlers in Canadian ports, they were promising something that they did not believe themselves could be carried out? Has the hon. member for Digby succeeded in inducing the Minister of Marine and Fisheries or the present Government to prevent the landing of fish caught by trawlers? No attempt has been made by the Government or any officer of the Government, to carry into effect any regulations of that kind. Have any attempts been made to prevent the Canadian fishermen from fishing by steam trawl? No.

Mr. JAMESON: Do I understand the hon. gentleman to be in favour of the steam trawlers from France coming to our coasts?

Mr. CHISHOLM: The hon. gentleman cannot get me away from the subject in that fashion. He cannot get me away from the fact that he and other gentlemen on that side said that they were going to stop this method of fishing. They were going to prevent the Canadian trawlers from operating, for, they said they could control these operations. We had a right, they said, to make it illegal for any Canadian to fish in this way. And they said that if this was not enough, they would pass a law to prevent fish caught by trawlers being landed anywhere in Canada, and in that way they were going to put the trawlers out of business. Have they done this? No. Now, the hon. member for Digby asks me if I am in favour of trawling by the French fishermen? I said before that if I could stop trawling on the part of Frenchmen, Englishmen, Americans, Canadians and all others, I would prevent it. For I say that the same thing is going to happen along our shores that has happened in the North sea and in Europe. Our fisheries will be depleted. I have a mass of references to show that notwithstanding the arguments put up on the other side of the water by those interested in that method of fishing, trawling is decidedly injurious. The best authorities in the United States and the independent authorities in England on the commissions that have been appointed to investigate the matter have come to the conclusion that this manner of fishing is so injurious that it is only a question of

time when the fisheries will be depleted and the shore fishing industry ruined. But I have pointed out that, so far as my county is concerned, we have no great complaint as to the French trawlers. I do not know of any French trawler having operated along the Antigonish coast, unless there was one last year. I never heard of such a thing until the suggestion was made this afternoon, though there may be a French trawler operating in Northumberland straits. Previous to last summer, I know, there were none. The French trawlers referred to do not operate in Northumberland straits. But what we object to in Northumberland straits is the Canadian trawlers. They are all Canadians flying the British flag. I have many articles here showing the danger from this method of fishing, but the matter has so often been called to the attention of the Minister of Marine and Fisheries that, I am sure, he must be well informed on the subject, so that reading them would be a waste of time. I am sure the hon. gentleman is impressed with the fact that the time has come to take action, and the sooner he moves in this matter the better for Canada. The time to prevent trawling is now—to act now is to nip this system in the bud. I was glad to hear the Minister of Marine and Fisheries say that there were no trawlers operating on the Atlantic coast now. But does he mean that none are operating this winter, or does he mean that they have gone out of business altogether?

Mr. HAZEN : There were no Canadian trawlers operating last year.

Mr. CHISHOLM : What were the trawlers operating in Northumberland straits ?

Mr. HAZEN : I understand they were English.

Mr. CHISHOLM : But operating for Canadian firms ?

Mr. HAZEN : There were no trawlers operating under Canadian licenses. The Wren, which was the Canadian trawler to which reference has been made, was not operating last year.

Mr. CHISHOLM : It does not make much difference to the inshore fishermen whether the trawler is Canadian or English. The trawlers were in Northumberland straits and operating off our shores, to the great detriment of Canadian fishermen. And they were supplying the Canadian market. But my hon. friend (Mr. Hazen) could prevent the operating of these trawlers by preventing the landing at Canadian ports of the fish they take. I do not go so far as to say that that would be a wise policy for him to pursue, although that was the policy which the hon. members opposite, the hon. member for Digby and others, were advocating when they were in Opposition. My point is that the time to take action is now before more trawlers are out and before they get a foothold because as they become more powerful and work up their organization it will be more difficult to regulate and check them than it would be now. There is an agitation against them in the United States and in Newfoundland and among the better class of people interested in the conservation of our resources. There is also a feeling in England against this method but it happens that conditions in England are such that a supply of cheap food is essential and the steam trawlers have such a foothold there that it is impossible to do much with them, but if we want to guard against conditions such as prevail in England we must move as speedily as possible and see that some international arrangement is arrived at whereby our local fishermen may be protected.

Mr. STEWART (Lunenburg): I am very much interested in this subject and have listened attentively to the discussion this afternoon as I did to the discussion of the same subject last session. Notwithstanding my natural disinclination to say much, I feel that, representing a constituency so vitally interested in the question, I should say a word or two. I well remember that about a year ago an agitation was started in the New England States and along the coast of Nova Scotia with a view to impressing on the Governments of the United States and Canada the desirability of restricting this machine method of fishing. A mass-meeting of the fishermen of Nova Scotia was held in Lunenburg. I think invitations were generally extended to the fishing population of Nova Scotia. A delegation was appointed to come to Ottawa and wait on the Government with respect to this matter. I had the honour of introducing this delegation to the Prime Minister and the Minister of Marine and I had the pleasure of listening to the representation made by this delegation and of listening to the assurances that were given by both ministers to the delegation. I observed the satisfactory manner in which these assurances were received by the delegation. It has been said, and I know it to be a fact that the Government and particularly the Minister of Marine and the officers of his department, have not been inactive in regard to this subject. Allusion has been made to representations to the Government at Washington and to interviews with the Government of the Mother Country and the Government of Newfoundland. The legislation which is offered here to-night is one step at any rate in the way of implement-

ing the promises made by the Government at the last session of Parliament. The delegation which came to Ottawa presented a memorial to the Government and I feel that their views were put in such concise language that, if there is no objection, I would like to read from that memorial. It is as follows:

The Petition of the undersigned fishermen and inhabitants of the province of Nova Scotia,
Humbly sheweth:—

That whereas the prosecution of the deep sea fisheries is one of the chief industries of the people of the province of Nova Scotia, and is the direct source of livelihood of a very large proportion of the inhabitants of the counties of Guysborough, Halifax, Lunenburg, Queens, Shelburne, Yarmouth and Digby, as well as the foundation of a very large and rapidly growing commercial spirit in said counties;

And whereas the protection of the said fisheries and the fostering of said industry is of vital importance to all people interested in the fisheries of the province of Nova Scotia;

And whereas some $12,000,000 is now invested in fishing vessels, plant and appurtenances, in Nova Scotia, for the prosecution of said deep sea fisheries and the shore fisheries of said province by means of hand-lining and trawling, and at least 70,000 men are now regularly engaged in the occupation of fishing by said means;

And whereas at a very largely attended public meeting, held in the Court House, in the town and county of Lunenburg on the 9th day of February, 1912, it was unanimously resolved to formulate plans for the protection of said industry, as well as for the purpose of preserving to said inhabitants of said counties, one of their chief means of subsistence, and to which end an organized effort be made to prevent the threatened destruction of said fisheries and the cutting off from said inhabitants of said means of subsistence, now threatened by the introduction and continued use of the so called beam or auto trawlers;

And whereas your petitioners are convinced in their opinions that the only effectual method of preserving said industry and protecting said fishermen is by the introduction and enactment of such legislation as may tend to prohibit or discourage the operations of said beam or auto trawlers in those parts of the Atlantic Ocean and its bays or arms which comprise the fishing grounds frequented or operated by the fishermen of said province;

Your petitioners therefore respectfully pray that the subject matter of this petition be taken into consideration and such legislation be introduced into Parliament and such proposals be made to the governing bodies of other countries which may be interested in the protection of said fisheries, as may tend to promote said industry and safeguard the occupation and livelihood of those who are engaged therein and dependent thereon, to which end your petitioners humbly suggest that the following restrictions upon said method of fishing would materially assist in bringing about the object of this petition, viz:—

(a) the prohibiting of the landing of fish in Canada which are taken by means of auto or beam trawling.

(b) the prohibiting of the supplying of coal by the people of Canada to said beam or auto trawlers and the prohibiting to said trawlers the right to purchase coal in Canada.

The following are some of the reasons which your petitioners submit in support of this petition:—

1. That it is the experience of practical fishermen that wherever the beam trawler has operated the fish have been greatly depleted.

2. That the beam trawlers destroy the spawning grounds of deep sea fish and that the young fish remain near the bottom until they grow to marketable size. The spawn sinks to the bottom and does not float on the surface as some experts contend.

3. The beam trawler in its progress takes up and destroys the lines, trawls and fishing gear of the ordinary fishermen, and frequently comes close to the ordinary fishing vessels and its dories when the latter are in the act of taking large quantities of fish, and with the beam trawl sweeps around the fishing vessel, and carries away the trawls and fish.

4. The beam trawler destroys the vegetation at the bottom of the sea upon which the young fish very largely feed.

5. The beam trawler is a monopolist, and can be operated only by the wealthy combines, thus depriving the poor fishermen of a means of livelihood.

6. The beam trawler drags along the bottom and scoops up all sizes of fish with the result that the small fish are thrown away and destroyed.

7. The beam trawler destroys large quantities of valuable shell fish.

And your petitioners as in duty bound will ever pray.

If I understand the matter aright, the hon. the Minister of Marine has amended a section of this Bill so as to restrict its application to fishing vessels. The only objection offered to it comes from the hon. member for North Cape Breton whose interest is in the coal mines of that district, and who fears it may interfere with the sale of some coal to steam trawlers visiting that port. The hon. member for North Cape Breton is a friend of mine and I have warm feelings for many of the people down there, but I do not think that my feeling for him or for the community should prevent me from insisting that the interests of this large fishing class of the whole of Nova Scotia and the Maritime provinces should not be sacrificed for the benefit of any one particular port.

Mr. McKENZIE: I have listened with a great deal of interest to my hon. friend from Lunenburg. I am glad he has made his maiden speech, and I congratulate him on the subject of it, and on the proper manner in which he dealt with it. I am glad that he has expressed some friendship towards myself and towards that part of the province from which I come. He very properly expressed the view that

no such friendship should stand between him and the doing of justice to the fishermen of the province of Nova Scotia. Let me hasten to assure him that I am with him at every stage of the proceedings, so far as the protection of the fishermen of Nova Scotia is concerned. My hon. friend seems to think that we are a one-horse affair down in the island of Cape Breton, and that we have only coal to sell. I do not know whether his conception of conditions would apply to any part of the great province of Nova Scotia. Our pride in that province is that we have a great many possibilities, a great variety of interests, that our resources are practically limitless and that it is impossible to shut out a man from making a living by one thing or another. If the coal is bad, the fishing is good, and if the coal and fishing are not satisfactory the iron works are all right. If these happen to be a failure, our lumber business is prosperous, and if something else is not up to the mark, our agricultural industry is in first-class condition. If all these things fail us, we have first-class ship carpenters and ship-builders and we can build a navy. It is not proper for the hon. member for Lunenburg to think that the protection or assisting of the coal industry has anything to do with what I have to say in this connection. There is no such thing as a member of Parliament for small things and a member for big things. The county of North Cape Breton and Victoria has no voice except mine, and it is my duty to protect not only the coal industry but the fishermen as well. I would ask my hon. friend from Lunenburg to point out in what particular the fishermen in Lunenburg are affected when a Frenchman or a Norwegian or a Scandinavian, who may be running a trawler on the Grand Banks of Newfoundland, buys a few tons of coal at Sydney and goes right back to the banks. If he can show me that there is any possibility of that transaction interfering with his good friends in Lunenburg I will at once abandon my contention. But I submit that the taking of a few tons of coal at North Sydney by a French trawler which goes to the banks of Newfoundland or to the fishing grounds along the island of St. Pierre, does not in the slightest degree interfere with the interests of the fishermen in Nova Scotia. When I tell my hon. friend that we sell in the vicinity of seven or eight million tons of coal in Nova Scotia, and that the great coal companies which I represent have as big a market as they can supply, he will see that the few tons of coal sold to these fishermen do not enter much into their calculations. However, it is a legitimate business, a good cash business and as it does not interfere with the rights of anyone else I think it is proper to try to hold the trade we have now. This trade has been going on for a great many years and nobody seemed to find any fault with it. What I am sorry about is that this legislation should come along now and disturb conditions which are at present satisfactory, and the disturbance of which will not profit anybody else while it will cause a great deal of trouble to the people who have been carrying on the trade for so many years.

I am protecting not only the coal industry but the fishermen as well. I do not know whether the small herring which is to be found in tremendous schools around the shores of Cape Breton and eastern Nova Scotia frequents that part of the coast represented by my hon. friend. I am not aware that it does, but if it did, and the fishermen caught it in barrels and there was only one way in which they could convert it into cash, that way being to sell it to the French vessels for bait, how would he feel if legislation were introduced in this House cutting off that means of livelihood from the fishermen in his constituency? Hundreds of men along the coast from Gabarouse to Louisburg, and from North Sydney to St. Annes, catch that small fish and sell it to those fishermen for bait. They do not disturb the interests of anybody else and they make money out of it. Judging from the response I have received from the other side, it looks as if that right will be taken away from the poor fishermen of Cape Breton who have been making money in that way for the last thirty-five or forty years. My hon. friend from Lunenburg apparently is not the friend of the fishermen unless he belongs to Lunenburg. I am afraid he will gather enough strength on the other side of the House to beat me out on this question. But I bring the responsibility home to the Minister of Marine and Fisheries. He is the chief sinner in this thing, he has introduced this Bill to no purpose whatever except to cut this bite out of the mouths of those fishermen in my county who have been making money out of this trade for years and years and who have not been injuring anybody in doing so. The hon. member for Lunenburg (Mr. Stewart) says that this is a step in the right direction because it will tend to put an end to beam trawling. That is the only argument that seems to be in favour of it. But, how is it going to do that? It will prevent the French trawlers from getting their coal right at the wharf at North Sydney, where they should get it. There is nothing to prevent them putting their coal on board barges, taking it out to the three-mile limit and putting it on board their vessels. They will do that or they will get their coal at St. Pierre or

Port au Basque, Nfld., and go on with their trade in the old way. They are not to be prevented from going on with that industry because they are shut out from putting their vessel under the chute at North Sydney and taking their coal in the proper way. My hon. friend is succeeding in taking about $100,000 worth of business out of the hands of the merchants of North Sydney, but beyond that he is accomplishing nothing. I protest against this law because there is no necessity for it. The law as it has stood for the last twenty or thirty years is good enough. I would ask my hon. friend if there is any concrete case that has arisen to make this amendment necessary. Before 6 o'clock I mentioned the Gearing case, which was before the courts of this country. The book containing the report of this case which was dealt with by the Supreme Court discloses a high degree of learning on the subject. It is a case somewhat akin to that which is under discussion here to-night, but nobody suggested that there was any necessity for amending the statute at that time. The statute was then what it is to-day, and I have not heard from the minister or anybody else that any condition has arisen since the trial of that case, fifteen years ago, which makes it necessary to make such drastic changes as those which are now proposed. All the law we have ever had on this particular subject is simply implementing the treaty of 1818. We simply have the statutes passed in Great Britain and Canada implementing the terms of that treaty. We are now breaking away from the terms of the treaty and making a law for the Frenchman, Scandinavian, Norwegian and all those foreign countries without any treaty whatever. They do not know where they stand with respect to Canada. The American knows where he stands because he has the treaty of 1818 and he knows that we cannot legislate him out of his rights under that treaty. The Norwegian, the Frenchman, and the maritime powers of Europe have no such treaty and we put them in a position by this legislation that they were never in before. Is it not worth while for my hon. friend to think before he puts France, Belgium, Italy, Spain and all the maritime powers of Europe on a different footing with the Canadian people from that which they occupy at the present time? We have Norwegian vessels carrying coal in this country. We see men fishing from these vessels in the port of Sydney every day and according to this amendment if the sailors begin fishing over the sides of the vessel, their tackle and everything they have is subject to seizure. This legislation seems to have been introduced without sufficient consideration, without it being understood how far reaching it is and it changes the conditions in this country and the relations of all the others powers of Europe except Great Britain.

I have done my duty in connection with this matter. I have protested against the Bill on behalf of my people, and I submit, not only to the Minister of Marine and Fisheries, but to the Prime Minister, that all the legislation we ever had upon this subject was implementing the treaty of 1818, and that we are now travelling beyond that. There never was a case in the maritime provinces where we interfered with the vessel of any other country except that one which was brought before our courts. We had no statute but a common practice was recognized which eventually was crystallized into legislation. We are going to have practically a criminal statute dealing with this question and conditions are to be radically changed. I have done everything I could in protesting against this amendment, but as I said a moment ago, I feel that they have enough strength on the other side of the House to take away these rights which I represent here and I can only protest and give reasons why they should not be interfered with.

Mr. CARROLL: If this measure were calculated to strike a death blow at beam trawling in the maritime provinces I would certainly not oppose it because down there we all appreciate the fact that beam trawling is very detrimental to the interests of the fishermen. But it does strike me that the mere fact that a foreign beam trawler will not be allowed under this Act to enter our harbour to buy supplies, bait, coal or anything of that kind is not going to do away with beam trawling. Most of the beam trawling that is being done along the coasts of Nova Scotia is being done by British ships fishing for Canadian syndicates. This legislation cannot be aimed at them. Here we are prohibiting a Norwegian vessel from coming into the port of Louisburg or Sydney to get a supply of coal. That is not going to kill the beam trawling industry but it is going to hurt the coal industry of Nova Scotia to some extent. If these Norwegian or French beam trawlers want to do business beyond the three-mile limit they can get their supplies in Newfoundland or at St. Pierre.

This legislation will hurt the fishermen in such towns as Louisburg, Gabarouse and Sydney; it will hurt the coal industry to a certain extent in the province of Nova Scotia, and it will not benefit the fishermen because it will not tend to do away with beam trawling. That is the reason I protest against the Bill.

Mr. McCURDY: There is no doubt in my mind but that the provisions of this Bill will discourage the operations of beam traw-

lers along the coast of Nova Scotia, and judging by the remarks made by hon. gentlemen opposite, the French trawlers now operating in large numbers off the coast of our province will be particularly hurt.

Mr. LEMIEUX: Are the French trawlers there in large numbers?

Mr. McCURDY: The hon. member for Cape Breton stated there were fourteen of them, and he told us they used a large quantity of coal and that if they were not allowed to take their supplies of coal, it would be a serious matter for the district he represents. Inasmuch as some five million tons of coal are mined annually in the hon. gentleman's district and that he regards any interference with the sales to them as serious, as opposed to the interests of the line fishermen, the French trawlers must be there in large numbers. Coming to this House as I did at the opening of this Parliament without any great knowledge of the speed with which important legislation progresses, I may say that I have been pleased at the substantial progress made by the Government in the comparatively short period of time that they have been in power. The proposition to prohibit steam trawling is rather a large question; big matters move slowly, but it would seem to me that during the fifteen or sixteen months this Government has been in office it has made very substantial advances indeed towards implementing the promises made by the Conservative party when in Opposition. I, in company with the hon. member for Lunenburg (Mr. Stewart) and the hon. member for Digby (Mr. Jameson) had the pleasure of accompanying a delegation representing the fishermen of Nova Scotia which waited on the Minister of Marine and Fisheries with reference to this question and I may say in passing that the delegation were given a very sympathetic hearing by the hon. minister (Mr. Hazen) and by the Prime Minister who also was present. It was pointed out to the ministers that 70,000 fishermen in the maritime provinces were affected through the invasion of their fishing grounds by these steam trawlers, and having the interest of the fishermen at heart we urged that the Government should take some action to protect the interests of this hardworking and industrious class of our population. The hon. member for Antigonish (Mr. Chisholm) stated that no step had been taken by the Government to prevent the growth of this steam trawling business along our coasts, but judging by the remarks of hon. gentlemen opposite this Bill is going to make it very difficult indeed for the French trawlers which are the most dreaded by our fishermen, to carry on their operation and so substantial progress is made. I may mention that there are no trawlers being operated at the present time by Canadians, and if hon. gentlemen opposite have been following what has been going on in fishing circles, they will know that had it not been for the determined stand taken by the Minister of Marine and the public expression of opinion given by him, the steam trawling industry would no doubt be to-day established in Canada.

Mr. KYTE: The objection I have as a representative of the fishing industry of Nova Scotia against this Bill is, that it is not aimed against steam trawling in our waters, but aimed at steam trawling by one particular nationality whose trawling operations have not resulted in any respect to the detriment of our fishermen. My hon. friend from Digby (Mr. Jameson) and others on that side of the House appear to attach much value to this legislation on the ground that they consider it will curtail the operation of steam trawlers in Nova Scotia. My reading of the Act leads to the conclusion that it will have no effect whatever on steam trawling as carried on in the coast waters of Nova Scotia. My hon. friend from North Cape Breton has pointed out that the only class of steam trawlers that will be affected by it is that class which are not operating within the coast waters of Nova Scotia. The French trawlers do not come within one hundred miles of our shores and no complaint has ever been made by the fishermen of Nova Scotia in respect to the operations of trawlers upon the Grand Banks. There is however a class of trawlers which have been operating to the detriment of the fishermen in the coast waters of Nova Scotia, and these are trawlers either owned or under charter by fishing concerns in that province. One of the aspects in which this legislation ought to be viewed is that it is another manifestation of the principle of monopoly to which the hon. gentlemen on the other side of the House seem to be so entirely wedded. If you eliminate the operations of the French trawlers from the waters adjacent to the maritime provinces, then you leave that other class of trawlers, to which I have referred in absolute control which are owned by certain interests in the province of Nova Scotia and have been operated to the detriment of the shore fishermen. We know as a matter of fact it has been urged by certain interests that if one particular corporation is permitted to have the service of steam trawlers to supply them with the fish they require in their business, it would be necessary in self-defence for other industries engaged in the fishing business to employ steam trawlers as well.

Mr. McCURDY: You make the statement that these steam trawlers operating off the coast of Nova Scotia are owned by interests in the province of Nova Scotia. Will you please give us further particulars?

Mr. KYTE: Owned or chartered by interests in the province of Nova Scotia.

Mr. McCURDY: Would you please give us further particulars regarding that. My information is entirely to the contrary, that these are not owned, operated or chartered by any interest in the province of Nova Scotia.

Mr. KYTE: These interests receive their supplies of fish from those trawlers, with the result that the shore fishermen are not able to sell their catches to those concerns, because it is argued that the shore fishermen cannot supply the steady demand which those corporations require from day to day.

Mr. McCURDY: Would you be in favour of forbidding the British trawlers from landing their catch?

Mr. KYTE: I would be in favour of preventing anything which operated to the detriment of the shore fishermen in Nova Scotia; and I have the authority for saying that the shore fishermen in the province of Nova Scotia and the interests of the shore fishermen are influenced to their detriment by the operation of these steam trawlers. If those corporations which are engaged in the fishing business were to depend entirely on the supplies which they could obtain from the shore fishermen, then there would be a steady price for these fishermen; but it is argued that the shore fishermen do not supply the fish in the quantity required from time to time, and it is necessary for those corporations to purchase catches from the steam trawlers. The fishermen have been informed by some of those interests that if steam trawling were abolished altogether, then the shore fishermen would fare very much better, because one corporation then would have no advantage over the other. So far as I am concerned, the trawlers which are aimed at by this legislation do not come into competition with the shore fishermen in the province of Nova Scotia. If the hon. Minister of Marine and Fisheries were to direct his attention to curing an evil which actually exists in the province of Nova Scotia, he would be entitled to the gratitude of the fishing interests of the Maritime provinces. This legislation will leave things exactly as before. My hon. friend from Digby (Mr. Jameson) claims that this legislation is a step in the direction of putting an end to the operation of these steam trawlers in the province of Nova Scotia; it cannot have any such effect. While the Government are indifferent to the operations of the trawlers which are owned and chartered either in England or in Nova Scotia, the legislation that is contemplated by this Bill cannot improve the conditions in any degree. Therefore if my hon. friend from Digby or any other hon. gentleman creates the impression that this legislation is going to relieve the situation so far as our fishermen are concerned, then these fishermen are doomed to disappointment. If we cannot get legislation that will curtail the operation of the steam trawlers that are operated within the three-mile limit, and that are owned or chartered by interests in the province of Nova Scotia, then this legislation will be absolutely futile inasmuch as it can only affect operations that are carried on beyond the three-mile limit, in a territory in which our shore fishermen do not operate at all.

Mr. TURGEON: While I can add nothing more to what has been said on this question, I wish to place myself on record. The steam trawler has not yet reached our shores in northern New Brunswick; but I see her coming full speed from Cape Breton Island and from the shores of Antigonish to the banks of Prince Edward Island, where she will mingle with the fishing fleets of Caraquet and Shippigan, in the county of Gloucester, a deserving Canadian institution controlled by men who keep vivid and sacred the heritage of their ancestors, whom the Breton navigator has taken across the Atlantic in small vessels which the generations of to-day will not man to go across our harbours. Meanwhile in anticipation of the trouble, I wish to say that I am opposed to steam trawling by any man, whether he be French, Norwegian or American, whether he be Canadian or English. It is for the preservation of the vast fishing resources of our coast along the gulf of St. Lawrence that I wish to place myself on record. The fishing industry of Gloucester county exceeds that of any other constituency, except perhaps the constituency of Lunenburg, which is worthily represented by the hon. member who gave his views on the subject a few moments ago. I fear that the legislation before our consideration will be apt more to create friction and disturbance than to destroy the evil which exists, because it does not pretend to give any international agreement between the nations which send those trawlers across the ocean and our own trawling people who are doing harm to our own fisheries. We often speak of our inexhaustible fisheries in the gulf of St. Lawrence. Forty years ago we used to speak of the inexhaustible lobster beds along the sea shore; and owing to over-fishing and lack of protection due to the Canadian people themselves, who have not in time pressed upon

public opinion the necessity of taking more stringent measures, they have been proved to be not inexhaustible. I would suggest to my hon. friend the Minister of Marine and Fisheries that the Bill now before our consideration would merely create disturbance and friction, and perhaps punish those who are the lesser offenders and the greater benefactors in the community. While I am just as much opposed to the French trawler as the American trawler, it has been shown by the discussion this evening that the French trawler keeps away from the sea shore, never interfering within the limits in which by international treaty he has a right to operate; and he is the one who comes ashore and leaves more money and trades with the Canadian people more than the American who can reach his own shores two or three times during the season. The consequence of this Bill would therefore be perhaps not to kill trade but to curtail the trade which the maritime provinces, especially along the shores of Nova Scotia, receive from the French trawler, without affecting in the least the destructive operations of the trawler in the midst of the ocean. I would suggest to the hon. the Minister of Marine and Fisheries, without any political motive whatever, that, instead of forcing this Bill upon us to-night, he should put more vigour into his correspondence or conferences with the other nations, or appoint a commissioner or officer of his own department, for instance, Professor Prince, or the superintendent of fisheries, whom I see in the House to-night, both able men who can impress their minds upon representatives of other nations with whom they come in contact. I believe that such would be more effective and would produce quicker results than the Bill now before us which, I believe, without imputing any lack of judgment to my hon. friends on the other side, would not be as effective as they seem to think. For, as has been stated here, the companies that send out these trawlers will find means to evade this law, and will find a supply of coal or something else necessary at a time when they are convenient to one of our harbours, or transfer their base of operation to other parts. I earnestly hope the minister will commission some of his officers to gather the necessary information, so that before the next fishing season opens, steps may be taken sufficient to create in the minds of the companies operating trawlers that the conditions are changed, and consequently they will commence to curtail their operations for the future.

Mr. HAZEN: I suggest that this section be amended by inserting the word 'fishing' before the word 'ship.' This, I think, meets the objection raised, with some force, I admit, by my hon. friend from St. John (Mr. Pugsley) and my hon. friend from Carleton (Mr. Carvell). It is intended that this law shall apply only to fishing vessels, and it is well that that should be made abundantly clear in the Bill. With this amendment, I think there will be no doubt, even if there be doubt at the present time, that that is the effect of the measure.

Some hon. members have discussed this measure from the standpoint entirely of steam trawling. I explained, in introducing the Bill, the conditions which I thought made this Bill necessary. But, let me make it clear again what difficulties are to be overcome. The effect of this measure will be to provide that a foreign vessel shall be forfeited if found inside the three-mile limit and preparing to fish, even though the department cannot prove that the preparations were made with a view to fishing within the three-mile limit.

Mr. SINCLAIR: What foreign vessels are fishing in Canadian waters, outside of American vessels?

Mr. HAZEN: None, but it is not uncommon to find vessels without license inside the three-mile limit and making preparations to fish. Under the law as it stands, we cannot punish them unless we can prove that they were preparing to carry on fishing operations inside the three-mile limit. Another point that makes this legislation necessary is that the law as it exists gives no power to prevent fishing vessels from foreign countries from fishing in those waters mentioned in the convention entered into between the United States and Great Britain in 1818. While the United States have the right to fish in these waters, the vessels of other countries have not. Yet, as the law stands, they are given the right, practically, to fish in these waters in which it was intended by the treaty of 1818 that no foreign country except the United States should have the right to fish. These are the reasons why the Bill is necessary at the present time. But incidentally I think it will prove effective in preventing what hon. members of this House from fishing countries seem to think it desirable to prevent—steam trawling on the high seas as well as in territorial waters. My hon. friend from Gloucester (Mr. Turgeon) has made a suggestion, and I always pay regard to his sugegstions because I know they are made in the very best of good faith. But I may say that the question to which he refers has already been taken up. I explained to the House this afternoon that last spring or early in the summer, in Washington, I had a conference with those responsible for the amendment of the United States fisheries and with Sir Edward Morris, the Prime Minister of Newfoundland, concerning the steps to be taken to

prevent fishing by means of beam trawls upon the high seas outside the territorial waters of these countries. We all agreed that we would, during the fishing season following take steps to ascertain what the actual result of these beam trawlers' operations were. Carrying out that arrangement, the Marine and Fisheries Department have had representatives on the beam trawlers during the past season and also representatives on certain of the fishing schooners, in order to ascertain what effect the beam trawlers had on the fisheries, and also what effect they were having on the fishermen engaged in other methods of fishing that were in vogue before beam trawling came into use. The United States gathered similar information, and the Government of Newfoundland, I presume, has done the same. So, we shall start with some information as to the results of beam trawling. And if the Governments of these three countries come to the conclusion that beam trawling is injurious to the fishing industry of these countries, it will be easy for them to pass regulations to prevent fish being sold or shipped that were caught on beam trawlers. And thus, so far as these three countries are concerned, we shall bring this form of fishing to an end. Or we could prohibit beam trawlers from being fitted out in and sailing from our ports. But other countries also have beam trawlers. However, if these three countries agree, it is reasonable to believe that the British Government also will make some provision with regard to beam trawling in waters frequented by the fishermen of the United States, Canada and Newfoundland. But we also have to deal with France, Italy or any other country that chooses to send out beam trawlers to fish in the high seas, as they have the right to do. But while we cannot prevent this, we can make laws to prevent the ports of Canada being made the base of operation of these trawlers from across the seas. And this Bill, I think, is the first step in that direction, and will have a considerable effect in preventing trawlers being fitted out to cross the seas and to enter into competition unfairly with our fishermen—because the fisherman of France is paid a bounty on the fish he takes and carries back to France in a cured condition. So, while this Bill will not prevent steam trawling, it will operate in the direction of preventing the ports of Canada being made a base for the fitting out of these beam trawlers to engage in operations in the waters about the shores of Canada and on the Banks. Hon. gentlemen opposite have discussed this question from the standpoint that the danger to be guarded against is that of the beam trawlers along the shores of Nova Scotia occasionally making incursions inside the three-mile limit.

There is no doubt that it is most desirable not only that they should be prevented from coming within the three-mile limit at all but that they also should be prevented from operating off the shores of Nova Scotia. But that is not the only danger. The delegation that came here last year and interviewed the Prime Minister and myself, came representing the different fishing counties of Nova Scotia, among others Lunenburg, and it was pointed out to us that the men in Lunenburg who engaged very largely in deep sea fishing were as much opposed to the operation of these steam trawlers along the banks and at points a long distance from the Nova Scotia coast as to their operation along the shore or just outside the three-mile limit because the fishermen from Lunenburg operating on the banks with the old-fashioned system of hand trawls and other appliances other than steam trawls said that their industry was imperilled by the fact that from time to time the other trawls, operated by steam tugs moving about from place to place had actually destroyed their gear. They would set out trawls in certain places and would be making good catches when the steam trawler, seeing what was going on, would come down with a view of sweeping the waters in that locality and would destroy their nets and other gear; it was stated that some fishermen had lost $500 in a single night by injury done in that way by steam trawls operating on the banks a long distance from Nova Scotia and they felt that in respect to many counties of Nova Scotia where men engaged in deep sea fishing it was as important that, if it could be arranged by international arrangement or otherwise, steam trawling should be prevented on the banks as on nearer points. The French trawler carries on its operations largely on the Banks. It gets its coal at Sydney and other points to carry on its operations on the Banks in competition with our fishermen, destroying, if the contention is true, the immature fish to a great extent and destroying the gear, nets and appliances of our fishermen.

So hon. gentlemen will see that it is not only the careful patrolling of the coast of Nova Scotia or of Canada and keeping these trawlers without the three-mile limit, but that as great danger to our fishing industry may occur by their operation on the banks far-distant from the littoral of Nova Scotia and other parts of Canada. While I would not contend that the passage of this Act alone as it stands is going to remedy the evils which may result from steam trawling, yet it is a first step towards preventing the ports of our country being made bases from which the operation of the steam trawler is carried on and if Canada and the United States and Newfound-

land come to an agreement the conditions may be greatly improved. In a short time all this information will be collected and another conference will be held. If it is then decided by these countries to prevent steam trawling by vessels fitted out at their ports and owned by their citizens and if all three countries and Great Britain enact laws for that purpose and prevent steam trawlers from France and other countries from using their ports as bases of operation, then can be accomplished the prevention, in great measure of what the fishermen of this country, what the hon. member for Gloucester and other hon. members believe may be a very great source of destruction to the fishermen and very great injury to the public interest.

That is the position in which the matter stands to-day. It will be followed up by the Government. As soon as this information is obtained, a further conference will be held with the authorities of Newfoundland and the United States. It is to be hoped that the result will be to bring about results that will be in the interest of the protection of the fisheries of Canada, but this Bill is not introduced primarily for that object. Hon. gentlemen have discussed it as if that was its object. That is not it, incidentally it is a move in that direction; the objects it was sought to attain I have already explained to the House.

Bill reported.

GRAND TRUNK PACIFIC RAILWAY ACT AMENDMENT.

Mr. COCHRANE moved second reading of Bill No. 64, respecting the Grand Trunk Railway Company. He said: This is merely to extend the time for the completion of the Grand Trunk Pacific Railway from Winnipeg to or past Edmonton, which is called the prairie section. The agreement expired on the first of December and we have extended that time.

Motion agreed to, Bill read the second time, and House went into Committee thereon (Mr. Deputy Speaker in the Chair).

Mr. OLIVER: What is the purpose of this legislation?

Mr. COCHRANE: Merely to extend the time to complete the prairie section of the Grand Trunk Pacific railway.

Mr. OLIVER: The prairie section has been completed for the matter of a couple of years.

Mr. COCHRANE: It has not, with all due respect.

Mr. OLIVER: I am only asking for information and perhaps I should not have said that so positively. What completion is contemplated under the terms of this Bill? As I understand it, the prairie section extends to Wolf creek, and I know that trains have been running to Wolf creek

Mr. COCHRANE: There are about 800 miles yet to be ballasted up on that section according to the inspecting engineer's report.

Mr. LEMIEUX: Will this extension complete it?

Mr. COCHRANE: This should be the last extension.

Mr. OLIVER: Do I understand that the part of the road between Winnipeg and Wolf creek is not ballasted?

Mr. COCHRANE: The roadbed in places has to be widened out according to the specifications. It has not been rounded out and widened as the specifications call for.

Bill reported, read the third time, and passed.

NATIONAL TRANSCONTINENTAL RAILWAY—MOUNTAIN SECTION.

On motion of Mr. Cochrane, Bill No. 65, respecting the National Transcontinental railway, was read the second time, and House went into Committee thereon. (Mr. Deputy Speaker in the chair).

Mr. COCHRANE: This is to extend the time for the completion of the mountain section of the Grand Trunk Pacific.

Mr. CARVELL: This is the National Transcontinental railway. The Bill speaks about the western division of the National Transcontinental railway.

Mr. BORDEN: That is what it is called. The Act incorporating the National Transcontinental railway dealt with it all the way from Moncton to Prince Rupert. It includes all the road.

Mr. LEMIEUX: Has the minister any idea of what remains to be done on the mountain section?

Mr. COCHRANE: I cannot give my friend the exact number of miles, but I have discussed the matter, not only with the inspecting engineer, but with the president, and he feels that it cannot be completed before 1914. Last year was an exceedingly bad year for labour. Every road and every kind of construction had the same complaint to make. In the latter part of the year the Bulgarians and other class of people left to go to the war. A tremendous number went away. The president and inspecting engineer do not think they can complete the mountain section before 1914.

Mr. OLIVER: This Bill refers to the prairie section. There is nothing in it referring to the mountain section.

Mr. CARVELL: It refers to the prairie section of the National Transcontinental and it only gives the Governor in Council power to extend the time for completion up to 1st December, 1913.

Mr. COCHRANE: That was when the time expired, last December. This is merely extending the time.

Mr. BORDEN: The Bill that we passed a moment ago had relation to the corporate capacity of the Grand Trunk Pacific Railway to complete the road within a certain period; therefore it was necessary to have the Bill which we have just passed. The Bill that is now before the House is to enable the Government to pass an Order in Council agreeing to that extended period. That is also necessary. As I understand it, it relates to only the prairie section, because if I remember the statutes of last year correctly, the time for completion was not limited to the same period in respect of the mountain section, and therefore further legislation in respect to the section is unnecessary. But at that time it was apprehended that the prairie section would be completed within the limit fixed by that statute. Unfortunately the expectations of the company in that regard have not been realized, and therefore it is necessary in order to complete the arrangement, so far as the power of the Government is concerned, to pass this Bill in respect to the prairie section. No similar provision is at present necessary in respect to the mountain section.

Bill reported, read the third time, and passed.

PATENT APPEALS.

Mr. DOHERTY moved second reading of Bill No. 84, to amend the Exchequer Court Act.

Mr. CARVELL: Will the minister explain?

Mr. DOHERTY: The purpose of this Bill is to transfer to the Exchequer Court the appellate jurisdiction that is now conferred by law upon the Governor in Council in cases where the applicant for a patent finds his application refused by the Patent Commissioner. Under the law as it now stands there is an appeal from the Patent Commissioner to the Governor in Council. This Bill proposes that that appeal should be from the Patent Commissioner to the Exchequer Court. I think it will be obvious to everybody that the Exchequer Court is a tribunal better fitted to deal with appeals of that kind than the Governor in Council. That is the whole purpose of the Bill.

Motion agreed to, Bill read the second time, and House went into Committee thereon. (Mr. Deputy Speaker in the Chair.)

Mr. McKENZIE: Before the preamble is adopted, I would like to ask the hon. Minister of Justice if there is any machinery by which this appeal is prosecuted? It says that a party may appeal. It might be difficult for the ordinary man to know how he is going to get before this court if there is no machinery provided somewhere else in this Bill.

Mr. DOHERTY: I fancy that the procedure under the Exchequer Court Act would be sufficient to enable this party to lodge his information before the Exchequer Court and that he would proceed as he would in any other case in which the Exchequer Court has jurisdiction.

Mr. McKENZIE: This is a new jurisdiction by way of appeal.

Mr. DOHERTY: This Bill adds the section contained in it to the section of the Exchequer Court Act which enumerates the cases in which the Exchequer Court shall have jurisdiction and then the subsequent sections of the Act provide how proceedings in cases in which the Exchequer Court has jurisdiction shall be conducted. I do not think there is need for making a special form of procedure to bring a case before the Exchequer Court. It is the initiation of a judicial proceeding proper as the appeal from the decision of the Patent Commissioner is not an appeal from the decision of a judicial officer but an appeal from the decision of one who sits in an administrative capacity.

Mr. McKENZIE: The great virtue of an appeal to the Governor in Council was that there was no expense in connection with it and no particular form of procedure. Any person could go before the Government and tell his story and there was no counsel required and no technical procedure was laid down. That was a desirable thing in connection with this simple appeal to the Governor in Council. Now the party is told by a few words of legislation that instead of that remedy he has a right to appeal to the Exchequer Court. How that is brought about without special printing and expense I do not understand.

Mr. LEMIEUX: Why not add that the same procedure would apply as in an ordinary case?

Mr. DOHERTY: That addition might perhaps be made. But after this Bill has passed, this clause will be inserted in the

Exchequer Court Act as forming part of it, and to the case provided for as being a case in which the Exchequer Court has jurisdiction all the provisions about procedure will apply. As to the hon. gentleman's observation about the matter of expense, it is true that it may have been less expensive to make an appeal to the Governor in Council, but I am not quite sure that it was so because, after all, the party appearing before the Governor in Council had to take means to get before the Governor in Council what his grievances were and I think that in most instances there was a printed case just as there would be on an appeal to the Supreme Court. Counsel also appeared and there were all the expenses that might be incurred in an appeal to the Exchequer Court. Therefore, it is problematical whether the expense will be any greater while on the other hand we have given to the party aggrieved a tribunal in a much better position to deal satisfactorily with his appeal than the Governor in Council could possibly be. The Governor in Council after all is not a court of justice and is not equipped as a court of justice is to deal with questions of law or fact. Any disadvantage that may possibly result from the point of view of expense to the party to whom the appeal is given will be more than compensated for by the character of the tribunal to which he is allowed to appeal.

Mr. CARVELL : I do not think that anybody will doubt the proposition of the hon. Minister of Justice (Mr. Doherty) that the Exchequer Court is the proper tribunal to which these matters should be referred. It is a much better remedy than to go before the Governor in Council. I understand the point taken by my hon. friend from North Cape Breton (Mr. McKenzie) is that we are providing for an appeal and we are adding a sub-section to section 23 of the Exchequer Court Act. The Exchequer Court Act gives jurisdiction in cases of patent and so on, but it does not provide for an appeal. The point which my hon. friend is raising is as to whether there is sufficient machinery in the Exchequer Court Act to provide for the appeal. I have not gone into it carefully, but I did not know that the Exchequer Court was an appellate court.

Mr. McKENZIE : The Exchequer Court is not an appellate court.

Mr. CARVELL : The question is as to whether there is sufficient machinery in the Exchequer Court Act to provide the modus by which you can get the case from the decision of the commissioner of patents to the Exchequer Court and as to whether you would be compelled to go through the ordinary process. If so, that would be a hardship on many litigants. Suppose that a man goes before the Commissioner of Patents and the Commissioner of Patents decides against him; it may be an invention which is not patentable or it may be that the article has been patented by some other person. The applicant is not satisfied with the decision, he wants to get it before the proper tribunal and the Exchequer Court is the proper tribunal. Have we the machinery in the Exchequer Court Act by which we can get it there or have we to commence suit in the Exchequer Court the same as we would have to do in an ordinary case ?

Mr. DOHERTY: There is no doubt that the Exchequer Court is a court of original jurisdiction. As I pointed out in answer to the member for North Cape Breton, while this is an appeal it is an appeal not from the judgment of a court. When this proceeding will come to the Exchequer Court it will come as an original proceeding in so far as it constitutes a judicial proceeding.

Mr. LEMIEUX : It is a court of revision?

Mr. DOHERTY: Precisely. Under the Exchequer Court Act to-day a party, provided he has a petition of right granted, would have the right to bring any claim which he was seeking to enforce before the Exchequer Court and there is a procedure for it. This would be in the nature of a complaint that he was aggrieved by the administrative determination of this departmental officer. He would lay an information before the Exchequer Court setting forth the facts and asking that the ruling be set aside and a new ruling made in his favour. I do not see that there is any more necessity for making a particular method of procedure for a matter in which the Exchequer Court has jurisdiction than there was need when the law simply said that there should be an appeal to the Governor General in Council.

Mr. CARVELL: I think that I can point out to the minister something that might give rise to a difficulty. If you bring a suit in the Exchequer Court there are two parties; there is the complaint of one party against the other party. There is provision made for service on the other party. Would the Minister of Justice contend that the other party would be the Commissioner of Patents or the Minister of Agriculture or the Governor in Council ? Or, who would it be ?

Mr. DOHERTY: The hon. gentleman will see that there is provision here as to how he is to deal with what should be considered the other party. A party applies for a patent and the proceeding is, in the great bulk of cases, ex parte.

Mr. CARVELL: Unless there has been a caveat filed.

Mr. DOHERTY: When an applicant is refused his patent by the Commissioner, he now has an appeal to the Privy Council, and this amendment gives him an appeal instead to the Exchequer Court.

Mr. LEMIEUX: And he would get his decision much quicker from the Exchequer Court than from the Privy Council.

Mr. DOHERTY: Much quicker.

Mr. CARVELL: It would seem to me that you should provide some easy means of transferring the papers from the Commissioner to the Judge of the Exchequer Court without putting the applicant to all the trouble of going through a legal procedure.

Mr. DOHERTY: He will have his appeal now to the Exchequer Court and the Exchequer Court can make whatever rules it deems most convenient for the hearing of such appeal.

Mr. McKENZIE: We have a great many appeals now from different courts and there is always some well-beaten path laid down by which the appellant can get from one court to another. I think there should be provision made directing how the appeal should be taken.

Bill reported, read the third time, and passed.

SUPPLY.

House in Committee of Supply.

Civil Government—Royal Northwest Mounted Police, $19,300.

Mr. LEMIEUX: Has Mr. White resigned?

Mr. BORDEN: Mr. White retired on the 1st of January and his assistant, Mr. Fortescue, who is a very capable officer, has been promoted to be commissioner.

Mr. OLIVER: I would much rather if that item stood unless it is particularly urgent.

Mr. BORDEN: I will let the item of contingencies stand. The right hon. the leader of the Opposition had charge of this department for a number of years and he might wish to ask some questions.

Mr. OLIVER: It is understood that we can discuss matters concerning the Mounted Police on this item?

Mr. BORDEN: Certainly.

Civil Government—High Commissioner's Office, London, $28,074.

Mr. LEMIEUX: What have you decided about the new offices that we discussed last year before the departure of the right hon. member for London? We passed a resolution in this House that Canada should have offices in London worthy of our status. Australia and the other colonies have acquired splendid buildings in London; and I think that we owe it to our country to have in the centre of the world something of which every Canadian would be proud. The offices we have at the present time are very inadequate. We want for Canada the best under a progressive government.

Mr. BORDEN: There is a great deal in what the hon. gentleman says. At the same time a good many considerations must be taken into account. I had an opportunity last summer of looking at a number of sites that had been suggested. In the first place, for the purpose of determining the site that should be secured, you must come to a conclusion as to what character of building you propose to construct and to what purposes you propose to devote it. The particular site that might be most useful for the work of the High Commissioner himself might not be the best site for other purposes of the public service, such as the immigration service. If the country should acquire a very large site and erect a very large building, there might be a good deal of difficulty in utilizing all the space, unless some arrangement could be made by which the various provinces of Canada would be willing to house themselves in the same building. At the present time they do not seem to be inclined to adopt that course. I think the province of British Columbia has already acquired a site. The site which the Ontario Government has in the Strand is in a very advantageous position so far as the number of people passing it every day is concerned. The offices of the Quebec Government on Kingsway are exceedingly commodious and well situated, but they may not have quite equal advantage in that respect. The idea got abroad that the Dominion Government were rather anxious to acquire a site in some advantageous position; and I am not absolutely sure that that idea reduced the prices which were suggested to persons who were employed by the High Commissioner at our instance to obtain information in regard to this matter. I can only say that the subject has not been forgotten; but up to the present time for the reasons I have mentioned, no very great progress has been made.

Mr. LEMIEUX: Just leave an item there.

Item stands.

Civil Government—Department of External Affairs, $17,950.

Mr. LEMIEUX: How many officials have you in the office of Sir Joseph Pope?

Mr. BORDEN: Just the same as last year with the exception of one stenographer who was taken over from the Department of the Secretary of State and who was necessary for the increasing business of the office.

Mr. LEMIEUX: I understand that the new wing is about completed. Are they going to be moved into that new wing?

Mr. BORDEN: Unfortunately I have not been able to secure accommodation for them. I have had very urgent and repeated requests from Sir Joseph Pope to house them somewhere else. I should like very much to have that Department within easy distance, because a great deal of time is lost whenever I desire to consult with any of the officials. We hope at an early date to make some further arrangements.

Progress reported.

On motion of Mr. Borden, House adjourned at 11.48 p.m.

HOUSE OF COMMONS.

OTTAWA, February 17, 1913.

The SPEAKER took the Chair at Three o'clock.

REPORTS AND PAPERS.

Telephone statistics for the Dominion of Canada for the year ended June 30, 1912.—Mr. Cochrane.

Report of the Department of Trade and Commerce, Part IV, for the year ended March 31, 1912.—Mr. Reid (Minister of Customs).

Supplement to the Fourteenth Annual Report of the Department of Marine and Fisheries for the year ended March 31, 1912.—Mr. White (Minister of Finance).

PUBLIC ACCOUNTS COMMITTEE—MOTION TO SUMMON WITNESS TO BAR OF HOUSE.

Mr. MIDDLEBRO moved:

That with respect to the inquiry now pending before the Select Standing Committee on Public Accounts respecting the payment of certain moneys to the Diamond Light and Heating Company, Limited, of Montreal, more particularly set out in the fourth report of the Select Standing Committee on Public Accounts submitted to the House on the fourteenth instant, that Mr. R. C. Miller a witness called and sworn upon said inquiry on Friday the fourteenth day of February instant be summoned to appear before the Bar of the House on Tuesday the eighteenth day of February instant at the hour of three o'clock in the afternoon and thereafter until discharged by the House, then and there to answer certain questions which on Friday the fourteenth day of February, 113, he did refuse to answer before the said Select Standing Committee on Public Accounts and particularly that the witness do answer the following question:—

To whom did you pay the sum of forty-one thousand and twenty-six dollars for the purpose of securing contracts from the Government of the Dominion of Canada as alleged by you amounting to one hundred and seventeen thousand dollars or thereabouts between the month of June, 1907, until you ceased to be president of the Diamond Light and Heating Company in June, 1911?

Sir WILFRID LAURIER: This is a matter which is altogether new to the House. The report was brought in the other day, and I desire to see it. I looked at it cursorily, but it was taken away from me. No notice has been given of this motion as is usually done, and I would suggest to the chairman of the committee that a day be set down for the discussion of this matter.

Mr. MIDDLEBRO: I understood that when we reported the proceedings to the House that would act as a notice.

Sir WILFRID LAURIER: No, it does not.

Mr. MIDDLEBRO: I have not found anywhere that it is necessary to give notice. Towards the close of last session we had an investigation into this same item before the Public Accounts Committee. A gentleman named Bain gave evidence. He was secretary of this company, and he testified that $42,000 had been paid out by the company to the witness now in question for the purpose of enabling him to get contracts for the company. Mr. Miller was also suppœnaed, but did not appear before the committee, and an Order of the House was obtained about the last day of last session to compel him to appear before the committee, but the Sergeant-at-Arms was unable to serve the order before the House rose, and so the proceedings terminated. This year we took proceedings on the same matter and issued a summons for his attendance. He appeared last Friday morning, and in his evidence stated that he had paid out $41,026 for the purpose of securing $117,000 of contracts from the Government. I shall read the exact evidence, which will more clearly illustrate the position than anything I could say. I quote from the evidence of this witness, R. C. Miller, given before the Select Standing Committee on Public Accounts on Friday last.

Q. And commencing with March 31, 1907, and up to the close of the your presidency the company did a business with the Government of some $117,000? A. Well, I could not

say whether that is correct or not, but I believe it to be correct.

Q. You believe it to be correct? A. Yes.

Q. The evidence showed, Mr. Miller, that a resolution had been passed by the directors of the Diamond Light and Heating Company in the month of June, I think it was, of 1907, authorizing you, as president, to make expenditures of money to secure business. Do you recall that resolution? A. Yes.

Q. Have you the books of the company with you? A. No.

Q. They would not now be in your possession? A. No.

Q. Do you recall the resolution? A. I do.

Q. Was that resolution passed at your request? A. Yes.

Q. I understood you represented to the directors that it took a lot of money to secure this amount of business? A. I represented that it would be necessary to use monies in order to secure business.

Q. Did you explain why it would require the expenditure of money to secure the business you were after? A. No, not in detail to any extent. I do not remember exactly what explanation they were given.

Q. What explanation did you give in general terms? A. I could not say. I do not remember what explanation I gave.

Q. You simply told the directors it took money to get this business? A. I could not remember what I did say.

Q. Can you remember anything else than that? A. No, I do not think there was any explanation given in detail.

Q. You simply said it took money to get this business, and, in pursuance of that request, they passed a resolution authorizing you to expend money to get it? A. Yes, to use what money I deemed advisable in order to secure business.

Q. That was in June, 1907, and it was between the date of that resolution and the close of your presidency that the business amounted to the figure named, $117,000. Now, Mr. Miller will you tell us what monies the company placed in your hands to secure business between those dates? A. The total amount was $41,026.

Q. Mr. Bain gave the total amount, and produced cheques making it some $42,000. A. He was not correct.

Q. Have you checked the cheques over since with his evidence? A. No, but I may state that this matter is in the hands of the courts and the amount was specified in the writ against me for an accounting, and it was checked over at that time and that is why I know the amount.

Q. Do you mean to say it was checked over on sworn evidence in court? A. On sworn evidence, and I also corroborated it at the company's office.

Q. And the amount was $41,026? A. Yes.

Q. So that money was placed in your hands between June, 1907, and June, 1911, in order to get some $117,000 worth of Government business? A. In order to get what business we could. I could not state the amount.

Q. You have stated the amount as $117,000? A. I said I believed it was that.

Q. That is the evidence given by Mr. Bain which you believe to be correct? A. I believe that to be correct.

Q. And beyond that the business of your company, according to Mr. Bain's evidence, only amounted to about $2,000? A. It was not very much. I could not say as to that.

Q. So that it amounts to this: that you were paid $41,026 by the Diamond Light and Heating Company in order to secure $117,000 odd of Government business? A. That money was drawn by me during those years.

Q. My next question is this: Will you give the committee a statement of where you paid that money? A. I would beg to state that, owing to litigation at the present time going on in the courts in Montreal, and two cases which have yet to come up on which the evidence has not been given, I would respectfully request that I be not forced to answer that question, because I think it would be prejudicial to my case in court to give these details at the present time.

Further on, the question is put to him specifically: :

Q. Mr. Miller, I will ask you again to tell us to whom you paid that money? A. Well, gentlemen, I cannot do any more than what I said before, that I do not feel like giving that information at the present time, as I feel that I must protect myself in connection with my case that is in the hands of the courts.

Q. You refuse to answer? A. Well, I have given my reason.

That is practically a resume of the ground on which we ask for the order. As far as I am able to gather, the mere fact that there is litigation in court respecting the same subject matter is no reason for the refusal of the witness to answer the question. It turns out that the case about which he speaks has just been tried. The action was for an accounting by this witness for this $41,000, which the company said was illegally paid. The action went against him, and the case is now on appeal. Any evidence which he might give before the committee could not be used on that appeal, because the appeal would be tried on the evidence already given. It is true, as he says, that there are a couple of cases arising out of the same case by way of interpleader. I do not think that he can be prejudiced in any manner, because the rules of the House expressly provide that any evidence given either before the House or before the committee is privileged and cannot be used in any court of justice without the full consent of the House. I ask therefore that the witness be asked to appear before the Bar of the House to answer the question as to the person to whom be paid this particular sum of money.

Mr. CARVELL: Mr. Speaker, before you rule on the point of order raised by the right hon. the leader of the Opposition, I might state that the hon. member for North Grey (Mr. Middlebro) has fairly correctly stated the facts as they were disclosed before the Public Acccounts Committee, except that he did not state the whole reason given by the witness as to why he did

not want to make that disclosure. The reason will be found on page 12 of the proceedings of the committee for last Friday. Mr. Miller stated:

Well, Mr. Chairman, I started to give those reasons some time ago and you told me to sit down. In connection with the litigation now on in Montreal, my reason—or rather an additional reason—for not giving the destination of that money is this: owing to the fact that I never paid a dollar of that money to any member of Parliament, to any senator or any official of the Government, I therefore, in addition to my other reasons, think it is a matter of my own private affairs between the company and myself; and as we are at present in litigation in the courts I hold that it would prejudice my case in the courts.

I thought it only fair that the whole of the facts should be placed on 'Hansard.'

Mr. MEIGHEN: Mr. Speaker, I would beg to submit to you a case in this House in 1891, which will probably still be in the memory of the right hon. the leader of the Opposition. Mr. Michael Connolly declined to submit his books to the Select Committee on Privileges and Elections. The report of the committee was presented to the House on the 5th of June, 1891. It will be found on page 205 of the Commons Journals of that year, volume XXV. On the same date on which the report was submitted it was moved by Sir John Thompson, seconded by Mr. Dewdney, that Michael Connolly, the witness named in the report be ordered to attend at the Bar of the House. So that evidently in that case no notice was given.

Sir WILFRID LAURIER: I am not a member of the committee. For my part I just raised the point of order, and I leave it to you, Mr. Speaker.

Mr. SPEAKER: On referring to the English cases as well as to the Canadian, I cannot find any instance where notice was given. With reference to the matter, Bourinot says, at page 559:

If a witness should refuse to appear on receiving the order of the chairman, his conduct will be reported to the House, and an order immediately made for his attendance.

But I have found no case where a notice was given that it would be brought up on a certain day.

If he should still refuse to obey, he may be ordered to be sent for in custody of the Sergeant-at-Arms.

Then he says:

Similar proceedings are taken when a witness refuses to answer questions.

My opinion is that it does not require a notice of motion.

Motion agreed to.

PARCEL POST.

On the Orders of the day being called:

Mr. LEMIEUX: I have just received a letter from the Grain Growers' Association, containing a resolution passed in favour of the parcel post system, and I would ask my hon. friend the Postmaster General if he has taken any steps towards establishing a parcel post system in Canada since our last discussion in reference to this matter?

Mr. PELLETIER: I declared then that I would deal with this matter some time during the present session, and I am now working at it.

PRIVATE BILLS.

RICHELIEU AND ONTARIO NAVIGATION COMPANY.

Consideration of the motion of Mr. Lesperance for the third reading of Bill No. 20, respecting the Richelieu and Ontario Navigation Company, and the proposed amendment thereto of Mr. Maclean (South York), resumed from February 14.

Mr. CARVELL: When the hour for the discussion of Private Bills expired on Friday evening, I was addressing the House on the amendment proposed by the hon. member for South York (Mr. Maclean). As the hon. member said: We have for years been giving to public utility corporations the right to issue their stock practically without restrictions, and that we have to make a start sometime, because the conditions with respect to over-capitalization of public corporations, and especially utility companies, have become almost unbearable. I was surprised at reading in the press a statement made as the result of an investigation, with respect to the enormous amount of capital stock issued by express companies as compared with the actual money—a mere bagatelle—invested in them. I do not propose to go into that matter, as I understand it will be discussed in due course, but it is an evidence why we should inquire very carefully into the amount of capitalization the Bill allows this public utility corporation to possess.

Another reason why I think hon. gentlemen should vote for this amendment is that we have no evidence as to what became of the $5,000,000 increase allowed to this company in 1911. I have some doubts whether the whole of that capital has been called in, or, if so, whether it has all been expended in the interests of the company. We are now asked to grant another $5,000,000 of capitalization, or an increase of 50 per cent, and, as I stated on Friday evening, after hard pressure in committee, the representatives of the company were able to show us that they hoped within a

number of years to spend $2,850,000, leaving over $2,000,000 entirely unaccounted for. If this stock is allowed to go to the public, and gets into the hands of bona fide holders—which is the great difficulty, as these gentlemen who get watered stock always take care that it is sold to the public—and you apply to any board that might have jurisdiction over them for a reduction of rates, the innocent man comes up and says: I have paid par for my stock; I have a right to the dividends, and it would be unfair to reduce the rates to such an extent as to prevent my recovering dividends on the stock for which I have paid par. This company, as I have said, has been doing an honourable business, and we have no evidence that there has been any water in its stock. We believe that it has a right to the issues of whatever stock is necessary to perfect its terminals, extend its transportation lines, and carry out any projects necessary to make the scheme a success, but, as the representatives of the company have said that they hope to expend less than $3,000,000 within a number of years, it seems to me there should be some restriction placed upon the issue of the stock in such large amounts as are asked for in this Bill. When you come to the matter of treating this company unfairly, as compared with the treatment received by other companies, my answer is that no company has ever been before this Parliament in my day to which this principle could be applied with as little difficulty as it can be applied to the company now under discussion. These gentlemen do not require all this money, and the Board of Railway Commissioners would certainly give them authority to issue their stock as they require it. A precedent would thus be established without injury to anyone, and, when the next company comes along with a real kite-flying proposition, the precedent will have been established, and the matter can be dealt with accordingly. There was a time when, if a member were to ask that certain restrictive clauses be placed in a Bill during its consideration in committee, he was looked upon as blocking the Bill, but that day has gone by, because the Railway Committee had the good sense to frame what they called standard clauses, thus establishing a precedent applicable to all cases, and the chairman may now simply run his pen through any section of the proposed Bill which is not in accordance with the recognized——

Mr. LANCASTER: He does more than run his pen through it.

Mr. CARVELL: He strikes it out, at any rate, and in its place he substitutes the standard clause. I propose that this Bill should contain a standard clause regarding the capitalization of all these great companies, and, for the reasons which I have given, I will vote for the amendment.

Mr. BRISTOL: I think some of my hon. friends are labouring under a confusion of ideas. They seem to make no distinction between a public utility corporation, such as a street railway—which has to have special legislation, and which, in its nature, is a monopoly—and a steamship corporation, which can be incorporated under the Companies Act of Canada as it stands to-day. It may be a little ludicrous to give, at this stage of our national history, the reasons for this distinction; but perhaps it is well to look now and then at basic principles, and thus arrive at a fair conclusion as to whether it is right or reasonable or proper to do what is suggested in the present instance. The reasons why a railway corporation under the Railway Act has a special opportunity to deal with these affairs, are twofold: first, the railway corporation has the power of eminent domain, that is, they have the power to go upon any man's farm and take his land, paying reasonable compensation; they can go into the city and take lands on the same terms, and nobody can say them nay. The Richelieu and Ontario Navigation Company cannot take from any man one foot of his land. If we want a wharf, we have to buy a place for it and pay the price to the owner, just as anybody starting a newspaper has to buy a place, or a man who wishes to start a wholesale house or to run a farm, must buy a place. We have to buy all we get at the market value. The second point is that every railway corporation that I know of in this country has been aided by the Government of Canada; and very properly so; for they are doing a public service, and they have been given aid by the public of Canada, because the Government does not wish to operate all the railway systems of this country. The Government has the right to take them over if it chooses. But the Government prefers to regulate charges by means of the Railway Commission. In no way does this apply to this or to any other steamship company. We buy our steamships, like any other people, at the market price. We compete for trade like any other people engaged in business. We have no monopoly; the lakes are open to all. We are affected by the railways, of course, because during the summer, which is the only season when we can run, we have to run for lower rates than the Railway Commission permits the railways to charge, or we cannot get the trade. There is no suggestion that this company, or any other transportation company engaged in navigation has done any harm or is not dealing fairly with the public. I have

heard the suggestion that the ocean steamship rates had been raised by six cents? Whether that be so or not, the Richelieu and Ontario Navigation Company or any other navigation company of this country is not responsible for it, and is not making any profit out of it.

Mr. CURRIE: Is it not the Furness Company that has been making this raise?

Mr. BRISTOL: No; they are only one of the many carrying companies of the world. What has the Furness or any other company done? At the instigation of the people of this country they have invested their money here in Canada, they have put it in the stock of this company. Certain English capital has come into the company. Why? Because the company has grown so big and requires so much money that it is thought wise to bring in the capital from outside of Canada. One of the greatest needs of Canada to-day is money. Go to your bank and try to borrow money, and you will find that out. When a company gets a large capitalization, you need to get foreign capital into that company, because in the old countries from whence this capital comes, they have a surplus, whereas a country like Canada is always in need of money and men. Neither directly nor indirectly have the Furness people an interest in this company except as investors, like any others. Whether they have or have not made money in their Atlantic trade, I take it that this Parliament has nothing to do with that; what we have to do with is the navigation companies of Canada. I have tried to point out, I hope with clearness, we are largely different from a railway company. Each of these companies has special powers. A street railway company has a monopoly and a privilege and must have its rates controlled by the city. But there is not a man in this country to-day who cannot go, right now, to the provincial secretary's office and get out a charter for a navigation company that is much broader, much more liberal, than the Richelieu and Ontario Navigation Company's charter is to-day. Now, that makes this a case of special legislation. We are informed here that in 1845, before there was a Companies Act, the Richelieu Company got a charter, and they have gone on, in my humble judgment, much against their own interest—amending that charter, instead of coming under the General Companies Act and getting a broader charter such as other steamship companies have. I say unless you amend the Act you simply compel us to take out a charter like any other transportation company. That is what we shall be compelled to do because we cannot be put to any disadvantage as compared with other companies. There is the case: This is either special legislation, or it is purely academic. If any of you gentlemen are sincere in your view that it would be a good thing for the steamship interests of the country to make a change, then amend the Companies Act and put the legislation in such a way that all will be affected alike. But do not pass special legislation affecting one corporation which the facts show to be a bona fide company and doing a bona fide business. One hon. gentleman asks about this $5,000,000 of an increase of stock. I know as a matter of fact that every dollar was paid up in full for that stock. It is stated that there is no such thing as watered stock. What we object to is special legislation which affects us and does not affect our competitor, and the result of which must be to force us to abandon our legislation, of which we are somewhat proud as the oldest steamship company of Canada, and come under the General Companies Act. As regards that legislation if it were up for discussion, there are important features to be considered. It must be borne in mind, that, as I have said, we have no power of eminent domain, we have received no aid from the people—no navigation company has received any aid of that character—and we are all competitors. What happens in the spring? The various navigation companies inland lines, including the Canadian Pacific railway with their steamships, and the Canadian Northern railway with their steamships, compete at Port Arthur for trade, and the one that will carry at the lowest rates gets that trade. There is no suggestion that there is a combine, and no suggestion that there has been anything done under the laws of this company that was unfair, so far as this company or any other navigation company is concerned. Under these circumstances, I strongly urge that there should be no special legislation concerning this company. But if my hon. friend is in earnest, if he wants to do something as regards the navigation companies, let him bring in legislation to affect all alike, and let us all be on the same footing.

Mr. EMMERSON: I wish to congratulate the House, through you, Mr. Speaker, upon the presence of my hon. friend from Toronto Centre (Mr. Bristol). The hon. member endeavours to remove a confusion of ideas which he says exists in the minds of hon. members with respect to the principle involved in the amendment. Had he been here at any time during the past three weeks, he would have learned that that confusion of ideas existed then; I am sorry he did not come sooner in order to attempt to remove that confusion. From his use of the pronoun 'we,' I infer that my hon. friend is a member of this company and I think I may fairly assume that he considers the Bill and the amendment from that standpoint. From the standpoint of

the general public, I think that the amendment of my hon. friend from South York (Mr. Maclean) is a very pertinent one; and while it is true that we have no general legislation on the point, it is well, even preparatory to that general legislation to adopt the principle in relation to isolated Bills, pending the time when the Government shall take action to make the principle applicable generally. I do not wish to take up the time of the House at this moment to discuss the principle. That has already been fully discussed. I want to say that I will record my vote in favour of the amendment.

Mr. TURRIFF: My hon. friend from Toronto says there is no suggestion of an amalgamation in connection with the lines that are competing for trade at Port Arthur and Fort William. As a matter of fact, this very company has taken over a number of navigation lines in the last year or two.

Mr. BOYCE: Mr. Speaker, the hon. member for Assiniboia has spoken on the amendment already.

Mr. SPEAKER: I think the hon. member has already spoken on the amendment.

Mr. WHITE (Minister of Finance): It has occurred to me that the opposition to this legislation is somewhat invidious, especially from certain hon. gentlemen opposite. This company possesses no franchise or monopoly in the sense that these words are ordinarily used. It is a navigation company engaged in the transportation of freight and passengers on our inland waters. As has been said by my hon. friend from Toronto, under the general Companies Act of the Dominion, and persons may to-day obtain a charter authorizing them as a company to carry on precisely the same business. It seems to me that there is a clear distinction between the case of this company and the case of a street railway company or an electric light or power company, or a railway company. With regard to these companies, I think there is a general view that some supervision should be exercised by Parliament or through a public utilities commission, for reasons that are obvious to the House.

Now this company is simply asking for power to increase its capital from $10,000,000 to $15,000,000 for the proper purposes of the company, not for the purpose of restricting competition, but for the purpose of enlarging its business, of adding to its ships and terminals, and of enabling it to compete with others for the trade of the country. There is no suggestion in this Bill, nor has any argument been urged conclusively in my judgment, that the increase of this company's capital from $10,000,000 to $15,000,000 will have the slightest effect in restricting in any way competition between companies or between individuals engaged in the business of navigation; quite the contrary. The express purpose of this increase of the capital from $10,000,000 to $15,000,000, as was stated by the president of the company, who is also a member of this House, is for the purpose of enabling it to purchase additional ships and additional terminals at Port Arthur or Fort William, and to extend its business.

Mr. MACLEAN (South York): Can the minister tell me how many businesses this company has already merged?

Mr. WHITE: I do not know how many companies this company has merged, but I do know that to-morrow my hon. friend or any person or any firm or any company that will incorporate itself can engage in business in competition with this company. That is the point to be borne in mind in connection with this legislation. There is no suggestion, I repeat, that this company possesses any monopoly, nor is it a franchise holding company in the ordinary sense of the term.

Mr. MACLEAN (South York): Does it compete with franchise companies, say with railways?

Mr. WHITE: It competes with railways and with all other navigation companies that do business on the lakes. It has been pointed out by my hon. friend from Toronto that it is in competition with the Canadian Northern steamships and the Canadian Pacific Railway steamships, and it will be in competition with the Grand Trunk Railway steamships, and with the American lines that ply from Port Arthur and Fort William to Buffalo. Now it seems to me that it is repugnant to the common sense of this House that it should be said that the increase of this capital from $10,000,000 to $15,000,000 will have the effect in any way of limiting or restricting competition on the great lakes; quite the contrary. I repeat that this increase is for the purpose of enabling this company to compete in a more advantageous way than it has been able to do in the past with any of the other companies doing business on the lakes.

My hon. friend from Carleton, N.B., (Mr. Carvell), spoke of over-capitalization. It seems to me that he used the word in a very equivocal sense. Over-capitalization is a term that is used in connection with stock that is sold at a discount, watered stock; but there is no suggestion that there is watered stock in this company. This company was incorporated fifty years ago, and is one of the best known companies in Canada. It has been stated and not contradicted, that not one dollar is watered stock, that every dollar of its capital has been paid for, one hundred dollars per share. There is no suggestion that this company has in view the water-

ing of any stock or the issuing of shares at a discount. It has not the power to issue its shares at a discount, and if we give this company the right to increase its capital from $10,000,000 to $15,000,000, the directors must see that these shares are issued of $100 per share, because they have no authority to issue shares at a discount.

Mr. CARVELL: Would they not have the right to give this paid-up stock for property?

Mr. WHITE: Let me ask my hon. friend a question by way of rejoinder. If a company buys property and pays say $5,000 in cash, what is the difference between issuing fifty shares of stock at $100 per share which would put it in funds, and using that money to purchase $5,000 worth of property?

Mr. CARVELL: I am sorry my hon. friend is so extremely innocent.

Mr. WHITE: It is all right for my hon. friend to suggest that. My hon. friend has had some experience as a corporation lawyer, but he knows as well as any man in this House that if a company decides to purchase property at a certain price it may do so by buying that property and exchanging it for its shares fully paid; or it may buy in the other way, because there is no difference so far as legal effect is concerned. It may purchase that property for cash, and find the money by issuing its shares at par. I repeat that there is no suggestion that this company proposes to water its stock, or to issue its shares at a discount. There is not one iota of evidence to support that view.

Mr. MACLEAN (South York): There is the example of the Canadian Pacific railway.

Mr. WHITE: It has been stated, and not contradicted, that this company has never issued one dollar of its shares as watered stock, and there is no suggestion that it proposes to do anything of the kind. In order to see whether my hon. friend from Carleton is consistent in this matter, let me call his attention to the legislation of May, 1911, with regard to this same company. An application was made to this House when my right hon. friend (Sir Wilfrid Laurier) was the leader of the Government, and on 19th May, 1911, an Act was passed increasing the capital stock of the Richelieu and Ontario Company from $5,000,000 to $10,000,000. So far as I know, the Government took no exception to that.

Mr. BOYCE: Was there an amendment from the hon. member for South York?

Mr. WHITE: I am not sure whether there was or not, but I want to point out the inconsistency of hon. gentlemen opposite. Two years ago an application was made to increase the capital stock of the company from $5,000,000 to $10,000,000. I find no fault whatever with hon. gentlemen opposite for allowing that Act to pass. It was very proper legislation. Here is a trading company possessing no monopoly and no franchise, and it comes to Parliament to increase its capital by $5,000,000. This $5,000,000 is wanted for what purpose? The purpose is to purchase vessels to carry on the business to greater advantage, to increase the capital of the company, as every other company and firm in Canada has been obliged to increase its capital during the past few years. It has been suggested by my hon. friend from South York that there should be supervision over this issue by the Railway Commission. I shall speak a little further on with regard to trading and industrial companies generally, but it is a trite observation to make that the principle underlying company incorporation, having reference to a company of limited liability, except with regard to franchise holding companies in the sense in which the term is generally understood, is that if the stock is fully paid up, if it is paid up to the par value of $100 a share, in so far as the public is concerned, it has no cause of complaint. The creditors are protected because they know that $100 has been paid per share, that the stock has not been issued at a discount and that the requirements of the Companies Act in this regard have been complied with.

Now, we come to the question of watered stock. Watered stock is stock that has not been issued for $100 per share; that is to say it is stock that has been issued in exchange for a franchise or properties that have been valued at an exorbitant price, at a price very much more than that which was paid for these properties by the original promoters. The promoters of a street railway company, let us say, obtain a valuable franchise, they sell that franchise to a company for a disproportionately large issue of its capital stock. The public are profoundly interested in that transaction for this reason that there goes with the franchise a liability on the part of the company to observe its covenants, to provide a proper street railway service for the public, to make extensions of street railway lines as they are required, and for that purpose the company should have available a part of its authorized capital issue. In addition to that, it has been found in the case of street railways that, when they are criticised for giving an inadequate service, they frequently point to the fact that they are only paying five or six per cent on the capital stock and that

it is impossible to give a better service because of this comparatively small dividend to their shareholders. There has probably been an evil in connection with the original issue of their stock because, if their stock had been issued to a proper amount in exchange for the franchise, they would have been in funds, either from their earnings which would not have been required to pay additional dividends to their shareholders, or they could have put themselves in funds by issuing additional stock for the purpose of taking care of their obligations to the public. The same is true with regard to electrical power and light companies.

But I submit that these companies are in no way on all fours with this company. Any firm, any individual, any company, incorporated under the general Companies Act may enter into competition with this company at any time and my hon. friend from Carleton, N.B., and other hon. gentlemen opposite know well that parties seeking incorporation under the Joint Stock Companies Act as a navigation company will get an authorized capitalization of $5,000,000, $10,000,000, $15,000,000 or $25,000,000; there is no restriction upon them, nor should there be, in so far as capital is concerned, because it is in the interest of the country and the public generally that companies should be authorized to raise all the money they can legitimately for the purposes of legitimate trade.

The considerations that arise in connection with street railway, electric power and light and railway companies, which have a monopoly, do not arise in connection with a company like this. Now we come to the case of industrial companies and, as far as I know, it has not been laid down as a principle as yet that there should be supervision in regard to the stock issue of this class of company. I believe that in Germany there is supervision over the stock issues of industrial companies and I should not be surprised at all to find that the day will come—no doubt the legislation to which I refer will come gradually as all legislation of the kind does—when some form of supervision will be exercised even over industrial companies. It will probably be for the purpose of protecting shareholders and people who buy shares. There have been great evils in connection with the issue of watered stock of industrial companies, or in other words in connection with the capitalization of earnings. We have not yet reached that stage with regard to our industrial companies. It seems to me that this company is being singled out rather invidiously. It has been meted out treatment that has not been meted out to any other company doing a similar business, nor could it be meted out to any company which would choose to obtain an incorporation under the General Companies' Act. It was pointed out the other night by the president of this company that the stock was selling at one hundred and sixteen. The president of the company has stated that they propose to issue this stock at par and as I have said before no stock of this company has ever been issued except at par. If you have a stock quotation, let us say, of one hundred and fifteen, every hon. gentleman opposite as well as every hon. gentleman on this side of the House knows that it would be impossible to make an issue of $5,000,000 or $3,000,000 or $2,000,000 upon the market, or to sell it at auction at anything like the quotation of the stock exchange. The stock exchange quotation is for such limited amounts as may be put on the market from day to day, but if a company desires to raise $2,000,000 or $4,000,000 for the purposes of its undertaking it by no means follows that it will be able to get the market price or anything like the market price for stock so issued. The amount of stock that it desires to sell will determine to some extent the price at which it can be issued.

A good deal has been said about melon cutting and, leaving to one side the franchise holding company and the public utilities company, there are some considerations which I wish to draw the attention of the House to in that connection. It is a principle of law that a board of directors may distribute among their shareholders the reserve of the company. The reserve of the company—that is everything in excess of one hundred cents on the dollar, because that provision for one hundred cents on the dollar is to protect the public and the creditors of the company—belongs to the shareholders. That is a thought that I desire to give to the House in connection with this so-called melon cutting. Even if stock is issued at a premium of fifteen or twenty per cent, that premium which goes to the reserve, belongs to the shareholders of the company and may be distributed, if the company is a going concern, among the shareholders. There is another feature; it has been stated that the amount of money which is put into the enterprise will have some relation to freight rates. So it will, but if it is put in in the shape of premium or additional reserve surely it will be taken into consideration just the same in fixing the freight rates. The real evil is not so much the issue, in the case of a company of this kind, at par of stock that may be selling at a slight premium, but the real evil is the possibility of watered stock. But that, as I have said, is an evil which may appertain to any industrial company incorporated in Canada to-day.

It has been said that the grain growers of the West, the farmers of the West, are interested in seeing that this increase of $5,000,000 capital is not granted to this com-

pany. It seems to me that precisely the contrary is the fact, and that every man in the West who has products to sell is interested in having competition in the carrying of those products to the markets of the world, and, as I pointed out, that this company must compete with all other companies, Canadian and American, the Canadian Northern railway, Canadian Pacific railway, Grand Trunk and all the American boats that carry grain from Fort William to Buffalo to be forwarded to New York for shipment, this company will relieve the railways to that extent. We have congestion every year at Fort William and Port Arthur. It was not so bad this year as last year.

Let me say, furthering this application for an increase in stock, that the freight rates have been higher this year than last year. Why? As a matter of fact the American bottoms have been so busily engaged in carrying their own grain, as they had large crops in the United States this year, that many of them could not engage in this trade and although the Canadian boats did their best and had a prosperous season, there were not as many boats as last year and their rates were higher. This company simply asks Parliament to do what has been done in hundreds and thousands of cases, to allow this company, as a trading company, to go to its shareholders and get $5,000,000 to enlarge its capacity and to serve the public of Canada. I attribute no improper motives and I hesitate to say that there has been any false reasoning, because I am quite sure that every member is able to reason as lucidly as I can, if he turns his mind to it but I do say from the appearance of things and the development of this debate that it would seem as if this company is sought to be put in an invidious position as compared with other companies and I appeal to the House to deal as fairly with this company as with any other company making its application in the usual course, asking no monopoly, no franchise, but only to be allowed to carry on its business of a trading company, a navigation company in competition with all other firms engaging in the same business, the carrying of the commerce of Canada.

Mr. KNOWLES: The minister has suggested that the company is being used in an unfair way. Does the minister know of any other company that has ever been given the privilege which this company asks? I refer especially to the clause giving them permission to use their money entirely at their own discretion. If other companies have been granted that power it would to a large extent be relevant but I do not know of any other company with such wide powers either under Act of Parliament or letters patent under the General Companies' Act.

Mr. WHITE (Minister of Finance): That precise clause is in the General Companies Act.

Mr. KNOWLES. For the purposes of the company.

Mr. WHITE: For the purposes of the undertaking of the company; but it would be absolutely ultra vires for that company to divert money to a purpose foreign to the purpose of the company. This clause is taken from the clause in the General Companies Act.

Mr. PUGSLEY: That cannot be possible. The object of section 2 is to allow the company to employ funds not required for the purpose of its undertaking in any form or manner it sees fit, which would enable it to buy stock in other companies or do as it pleases.

Mr. BORDEN: Temporarily.

Mr. PUGSLEY: That is not from the Joint Stock Companies Act.

Mr. WHITE (Minister of Finance): We must not assume that a Board of Directors will do anything improper with the funds of a company until evidence is brought to our attention that they so design or intend. Suppose my hon. friend were on the board of directors of a company of this kind and the company had made an issue of three or four millions of its stock with sums coming in from time to time, a million or half a million or two million dollars, and let us assume that they had gone ahead with the construction of ships and terminals but that at the time at which a million dollars came to hand payments were not due upon the ships or terminals, what happens? The company must either leave that money in the bank, drawing no interest or such interest as they may arrange for, or they must temporarily invest the money and get interest upon it until the money is required for the payment of the contractors upon the ships or terminals. What impropriety is involved in that? It is simply equivalent to saying that a company may make the best use of the funds legally and lawfully supplied by its shareholders. That is as far as it goes. Did I understand any body to say there was not a clause like this in the Companies Act?

Mr. MEIGHEN: At least five cases of the kind were presented in the House last Tuesday by myself and the hon. member for North Grey (Mr. Middlebro).

Mr. CARVELL: But not under the Companies Act, these are under letters patent granted under the Companies Act.

Mr. PUGSLEY: My hon. friend thought this was in the Companies Act. I say my recollection is there is no such provision in the Companies Act.

Mr. WHITE (Minister of Finance): Do I understand that companies have not been incorporated under the Companies Act with this provision?

Mr. MEIGHEN:: Certainly they have.

Mr. PUGSLEY: I am quite satisfied they have not been because the Companies Act contains a provision against buying the stock of other corporations or lending money to its shareholders. If this clause two passes the company can do that very thing which is prohibited by the General Stock Companies Act.

Mr. BRISTOL: That is permitted by by-law under the Companies Act.

Mr. MIDDLEBRO: On the 10th instant I quoted the names of several charters that had been granted by the Secretary of State containing the following clauses:

To invest and deal with moneys of the company not immediately required upon such securities as may be from time to time determined.

To invest and deal with moneys of the company not immediately required in such manner as may be from time to time determined.

To invest and dispose of the funds of the company which are not immediately required in any manner which shall be decided from time to time.

To invest and deal with the moneys not immediately required upon such securities and in such manner as may from time to time be determined.

Mr. WHITE: That is from the Companeis Act?

Mr. MIDDLEBRO: Yes.

Mr. PUGSLEY: Will not my hon. friend agree that that will all be subject to the prohibitory clause of the Joint Stock Companies Act?

Mr. WHITE (Minister of Finance): The section of the Joint Stock Companies Act to which I think the hon. member alludes is section 168. That section reads:

No company shall use any of its funds in the purchase of stock in any other corporation unless in so far as such purchase is especially authorized by the special Act and also by the Act creating such corporation.

That is the clause in the Joint Stock Companies Act, but if the special Act authorizes the purchase of other securities that section does not apply. Let us see what my hon. friend's Government did with regard to purchasing securities. He raises this question now as to the prohibition, as he says, contained in the Companies Act with regard to companies of this kind or of any kind incorporated under that Act purchasing securities. But, as I have pointed out to my hon. friend, that prohibition does not apply to companies that are incorporated by special Acts, as this company is. In the year 1910, this very company on a revision of previous legislation was given the power to acquire business and the securities of other companies. I want to show that hon. gentlemen opposite are inconsistent in connection with the matter. In the year 1911, the Government, of which my right hon. friend was the leader at that time, and I find no fault whatever with his action, raised no objection, so far as I am able to learn, when the company applied to the Government for an increase of their capital from $5,000,000 to $10,000,000, with the same restriction, that two-thirds of vote of the shareholders should authorize it, as is imposed in this Bill. Therefore on all the grounds I have mentioned, namely, that it is not a franchise holding company; that it is not a monopolistic company; that any company could be incorporated to-morrow to carry on a similar business under the General Companies Act, and that none of the considerations that my hon. friend from St. John (Mr. Pugsley) has brought up are weighty or in any way inconsistent with the giving of this legislation, I submit that the Opposition that has developed is to say the least invidious, in making a sample of this company, in singling out from all other companies that may be authorized either by this Parliament under the General Companies Act to carry on business. It would be open to the directors of this company to-morrow to withdraw their application and incorporate under the General Companies Act a company with wider powers to take over this company's business.

Mr. TURRIFF: But they have not done so.

Mr. WHITE: During the last few days we have been discussing an academic question; we have not been discussing a practical question. If you look at this legislation from the standpoint of logic and fair play and good common ordinary business sense, the opposition that hon. gentlemen are raising to it is not reasonable.

Mr. TURRIFF: I rise to a point of order. The hon. Minister of Finance having been allowed to speak twice on this matter, I should like to know if I am in order to speak twice.

Mr. SPEAKER: The hon. Minister of Finance did not speak before on this question; but the hon. member who has just risen did speak previously.

Mr. PUGSLEY: I am sorry that my hon. friend the Minister of Finance seeks, perhaps unconsciously, to give a party tone to this discussion. He speaks of those who are opposed to the Bill as being on the other side of the House, as if it was the opposition party which was opposing the Bill. In that respect my hon. friend fails to give due measure of credit to the hon. gentleman who moved the amendment and who is recognized as a warm supporter of my hon. friend. It sems to me a pity that this question, which is very important, cannot be discussed entirely from the standpoint of public interest and irrespective altogether of party politics. My hon. friend from Montmagny (Mr. Lesperance) who is promoting the Bill, also spoke of those opposing the Bill as being hon. gentlemen opposite, in that way seeking to make an appeal to the supporters of the Government to give their united support to this measure. An hon. member opposite is the president of this company; and it appears that quite a number of hon. gentlemen in this House are interested by reason of their being shareholders in this company. I trust, however, that will not prevent them from looking at the matter from the standpoint of public interest. My hon. friend the Minister of Finance says that this company is being singled out from other companies. I do not think so. I think the reason why it is sought to throw some safeguards around this issue of additional stock is because this company is one of the great transportation companies of the Dominion. This company is operating on the St. Lawrence; it has lately bought out other companies which have been operating on the great lakes, so that it has to-day probably some seventy steamships carying on a great system of transportation between Port Arthur and Fort William and the city of Montreal. It also appears that one of the Atlantic steamship companies, the Furness line, has acquired an interest in this company, so that in some measure at all events this company will have control of the traffic of our western produce all the way from Port Arthur to the markets of the world.

Mr. WHITE: Does my hon. friend suggest that this company, if it carries produce from Port Arthur as he has said, will not be in competition with all the other companies that I have mentioned?

Mr. PUGSLEY: By its record of the past year, this company has been in the business of merging. Prior to last year, a very large company, called the Inland Lines, Limited, operated a steamship line from Port Arthur, trading over the great lakes to St. Lawrence ports; the stock of that company has all been acquired by this company. As appears from reports in the Montreal Gazette of this morning, the shares of the Northern Navigation Company have been acquired; the shares of the Niagara Navigation Company, Limited, of the St. Lawrence Steamboat Company, Limited, and of the Thousand Island Steamboat Company have been acquired by this company.

Mr. MEIGHEN: Does my hon. friend state that any of these companies before being merged were in competition with the merging company?

Mr. PUGSLEY: I do not know. I think they were.

Mr. MEIGHEN: The promoter of the Bill assured the House that no company in competition has ever been merged.

Mr. PUGSLEY: If my hon. friend knows it, of course I am bound to accept his statement. The farmers of the West depend upon the water route in order to get reasonably low rates of freight. Therefore, it is reasonable that the Government and Parliament should have just as much control over the capital of this company and over the rates which shall be charged as they have over a railway company. I see no reason whatever why they should not have control over this company just as much as over the Canadian Pacific Railway Company. Both these companies are engaged in transportation; and it is all important in the interests of the public that the capital should be as low as is reasonably possible and also that the rates of freight should be as low as possible. This company earned about thirteen per cent profit last year; that large profit came out of the people of this country who are obliged to send their freight by the steamers of this company, and out of the people who are obliged to travel by the company's boats. That is the only reason why I think that this company should be treated differently from ordinary companies. It is very different from an industrial company, a company which is not engaged in transportation. When you have a great company with an enormous capital, controlling a great many different steamships, even if some other company might be organized to enter into competition with that company, to all intents and purposes it would have a monopoly. I do not see why this company should be allowed to increase its capital to $15,000,000 unless it shows that increase to be necessary for the building of new steamers or for the building of wharfs. As that reason has not been given, I think we may reasonably assume that the money is intended to be used for the buying out of other steamship lines and with a view to creating a greater monopoly in transportation than exists to-day.

Mr. MACLEAN (South York): Is this navigation company not in competition with the Canadian Pacific railway?

Mr. PUGSLEY: Yes.

Mr. MACLEAN: Do we not control the capitalization of the Canadian Pacific railway?

Mr. PUGSLEY: The Governor in Council control the capitalization of the Canadian Pacific Railway Company. I think my hon. friend is straining a point when he says that the right of control by this Parliament arises because a railway company has the right of eminent domain or has a monopoly. The real reason for that control is that this is a great public utility in the proper regulation of which the people are deeply interested. I do not care whether the transportation is by water or land, the public are deeply interested in having the Government exercise control over the rates. As my hon. friend from South York has suggested, these steamship lines which operate on the great lakes ought to be the means of relieving the farmers of the West, because they ought to be able to carry the traffic of the West more cheaply than the railway companies during the season of navigation. The Minister of Finance says that this company ought to be given the wide powers it is proposed to give it under section 2. He says, in effect, that they ought to be allowed to increase their capitalization at once, without the Board of Railway Commissioners or any other body having control over them, and that the money which they do not require for the purpose of building ships or wharfs, they ought to be allowed to do with as they please.

Mr. WHITE: I said, pending the expenditure of the money, they ought to be allowed to do it—temporarily.

Mr. PUGSLEY: We know what 'temporarily' means. This section simply means that until they require the money for the legitimate purposes of the company, they can do with it as they please. Parliament has provided in the Companies Act that a company shall not be allowed to lend its money to its shareholders. I think that is a wise provision. But here it is proposed to let this company do anything they please —which means the board of directors may do as they please—with the money of these shareholders, by lending to shareholders, lending it on the stock of other corporations, buying the stock of other corporations, using it in any way they see fit. That is not proper legislation. I submit to the leader of the Government who is responsible for the legislation of this House, that it is not proper legislation. When a shareholder subscribes money to a company, he ought to be assured that if that money is not required for the purposes of the company, it shall be put into a chartered bank or invested in municipal or Government bonds until it is required by the company. But it is proposed that, in violation of the principle laid down in the Companies Act, Parliament shall say to the directors of this company: You may sell stock for $5,000,000, though you may not want more than $1,000,000 or $2,000,000 at present, and if the balance of $3,000,000 is not required for the purposes of your company for a year or two years, you can apply the money as you please; you can lend it to shareholders, you can buy stock in other corporations and control other institutions; you can do as you please with the money even without regard to the purposes of the company. In the absence of any other body that might have supervision over the affairs of the company, the Board of Railway Commissioners is the best body to be chosen for the purpose. Parliament has given that board control over the railway rates, over express company charges, over telephone charges and over cable rates. The board has experts in its service; it has the opportunity of calling people before it; and I see no hardship at all upon this company in compelling it to go to the Board of Railway Commissioners. It does not imply that this company is intending to do anything wrong; but as already stated, we are now dealing with a great transportation company and we are asking Parliament to lay down the principle that with reference to the capitalization of that company there shall be some disinterested body that shall have control over the issue of stock. One word more and I have finished. The Minister of Finance has said that because the American bottoms had been very much engaged in taking the freight from the American West, the rates on freight to the Canadian exporter had been increased by six cents a bushel on wheat.

Mr. WHITE: I made no mention of six cents. I made the general statement.

Mr. PUGSLEY: The hon. gentleman, then said that the rate had been increased and some other hon. member, I think the hon. member for Assiniboia (Mr. Turriff) mentioned the figure six cents. What does that mean? It means that these steamship companies will take advantage of the western farmers when they can do so. So long as American steamships can carry Canadian freight, rates are low, but as soon as they are busy with American freight up go the rates to the Canadian producer. Does not this show how necessary it is that Parliament should control the capitalization of these companies?

Mr. WHITE. How will the extension of the operations of this company to Port Arthur or Fort William tend in any way to increase the rates which now prevail

and which are subject to the competition which I have mentioned and of which the hon. gentleman is aware?

Mr. PUGSLEY: I will tell the hon. gentleman. Up to a comparatively recent date, this company was content to carry on principally a tourist business extending from Toronto to the Saguenay. They have now caught the spirit of the age which my hon. friend seems to admire; they have gone into the business done by trusts and mergers. They are enamoured of the business of merging companies, and we find that in the past year they have been steadily and earnestly engaged in it. Have we not reason to fear that the object of this enormous increase of capital is to continue that business of merging, and may we not expect that it is possible that if we give them this privilege, before many months or years have passed away, they will carry the merging of these companies to such an extent that they will practically control the water transportation business. At all events they will reduce most materially the competition that exists; and the less competition there is the greater the opportunity there is to squeeze the western farmer both in what he has to sell and in what he wishes to buy.

Mr. STEVENS: I am sure hon. members have been very much impressed by the statement of the last speaker and other hon. members who have been urging that this particular company should be made object of a sort or parental supervision of the Railway Commission in distinction from the other companies of this country. It has been stated and reiterated by the hon. member for St. John (Mr. Pugsley) that it is a bad principle to permit it to increase its capitalization—I think the statement was that this was 'bad legislation.' I wish to draw the attention of hon. gentlemen who have spoken in this vein to chapter 134 of the statutes of 1911, in which there is a clause identical with the one in Bill No. 20—and the hon. gentleman was then sitting on the treasury benches. At that time not the slightest objection was made to that clause in a Bill which, relating to the same company, provided for an increase of capitalization of $5,000,000. It has been admitted by hon. gentlemen that this company has been properly administered, and all hon. members speaking in connection with this Bill have stated clearly and emphatically that this company is one of the best operating on the inland waters of Canada. In spite of the fact that in 1911 hon. gentlemen opposite passed a similar clause, they now contend that if we support this clause we are not faithful to the trust reposed in us by the people of Canada regarding the protection of the interests of the country.

A thought has occurred to me, as an ordinary layman, to this effect: Why should we saddle the Railway Commission, not with the power to administer certain general laws in a given way, but with the duty of watching over the particular business of some individual company? I submit that a provision of that kind is inimical to the best interests of the country. Everyone knows that the Railway Commission has more business to attend to at the present time than it can properly look after, but in spite of this it is sought to impose on that commission duties which I contend should not in any case devolve upon it.

I agree with some of the remarks of the hon. member for South York in introducing his amendment in the course of which he enunciated certain principles with regard to over-capitalization. In connection with this company, no over-capitalization has been charged. There are companies organized under provincial laws—I could cite scores of mining companies organized under the laws of the province of British Columbia—which are over-capitalized, and I could mention other companies incorporated under the Joint Stock Companies Act of Canada, which are similarly over-capitalized, but this amendment, which is supposed to remedy this condition, will not affect any of these companies, nor can Parliament at any time establish a precedent to remedy the conditions which are bound to occur under the Joint Stock Companies Act. If hon. gentlemen opposite are serious in their statements that it is time for the Parliament of Canada to deal with this question, I am prepared at any time to support a measure which will effectively deal with over-capitalization of companies in Canada, but I am not in favour of putting on the statute books any patchwork legislation which singles out individual companies. I submit that every evidence before us points to the fact that this is a mater of personal animosity rather than one of public interest.

Mr. SPEAKER: I think the hon. gentleman is going too far when he imputes motives to other hon. members.

Mr. STEVENS: I submit to your ruling, Mr. Speaker, and withdraw any remarks which are contrary to the rules of the House. When this matter was under discussion the other evening, the hon. member for Carleton (Mr. Carvell) stood up in his place and talked away, with his eyes on the clock. It may be that he was seriously trying to impress on the House all the arguments supporting his convictions in the matter, but the manner in which he attempted to do this was rather questionable. I submit that there is absolutely nothing in the proposed amendment which

will deal with the principle involved, but when hon. gentlemen are prepared to bring down a measure which will deal effectively with the matter, I am prepared, if it is a sane measure, to support it; but as to singling out any individual company, I contend that is not good legislation, and I wish to go on record as absolutely opposed to any such procedure.

Mr. NESBITT: I would not have spoken on this matter but for the fact that the hon. member for Toronto Centre (Mr. Bristol) tried, as he said, to clear the fog out of our minds by stating that this Bill was not like a railway Bill, because navigation companies have to buy whatever they want. That, I may say, only befogged my mind all the more, as I always thought that railway companies also had to buy. True, they have the right of expropriation, but they have to purchase at a fair value, everything they obtain. The Minister of Finance stated that this company, being a transportation company, was more in the line of industrial corporations, and for that reason we had no right to control its capitalization, but I agree with the hon. member for Carleton in stating that, because it is a transportation company, we have just as much right to control its rates as to control the rates of a railway corporation. Some hon. gentlemen have stated this afternoon that, in purchasing these other companies, this corporation was not shutting off competition. I presume they did not intend us to take that just as it was stated, because to shut off competition was the main object of the purchase. The Minister of Finance says also that any of us, if we have the money, can build boats and start a transportation business on the water. Surely it was not necessary for him to tell us that; he knows that when a company attains a certain size, and obtains control not only of the transportation business, but of the feeders to that business, it is almost impossible for any smaller corporation to compete, and this means the larger organization has a practical monopoly. The reason why the promoter of this Bill was in my judgment unwise in bringing the matter before the House in its present form, was the absence of a statement as to the company's intentions with respect to the additional capital, and the request to give to the company unlimited powers to deal with these moneys. I think the discussion on this Bill should warn those who may come to this Parliament in the future that the time has arrived in this country when we, the supposed representatives of the people, have the interests of the people at heart, and do not propose to allow over-capitalization to continue. It has been stated that this company is not over-capitalized. It may be a perfectly legitimate company, and its moneys may have been properly and judiciously expended, but that makes no difference when they withdraw competition, as they have done, in the last few years. In answer to the query of the hon. member who has just sat down as to why we did not oppose this principle in the Bill passed in 1911, we are, like every person in the world, learning. As a matter of fact, in 1911 there was not the same fear in the minds of the people as to over-capitalization of corporations or as to the overstrength of corporations as there is to-day. There is a lurking fear in the minds of the people of this country that corporations are getting too much control. There is nothing in my judgment that requires more careful legislation than this transportation business on the great lakes. We are going to deepen, I hope, the Welland canal at an enormous expense to the people of this country to allow those boats to go from Port Arthur to as near Montreal as possible. Why? Because the people of this country want the rates reduced. Now if we had fewer transportation companies plying between Port Arthur and Montreal, would there not be a human tendency—I would not blame them—to increase the rates? Someone has pointed out this afternoon that owing to the fact that the Americans had all they could do with their boats this last fall the rate did increase. Not being particularly interested I did not notice the fact, but if the rates did increase, it simply shows how careful we have to be in legislating here to keep control of the corporations. I am not talking from a party standpoint. I have no feeling against the gentleman who introduced the Bill and certainly not against the hon. member for Toronto, or against any one else connected with the company or with the Bill. But after all, we are supposed to represent the interests of the people at large, and to do it to the best of our ability, and in passing legislation of this kind we are not doing so, I think. I hope that this will be the last Bill of the kind to come before Parliament asking for such sweeping powers without stating what it is proposed to do with the increased capital, or without some control over the increased capital being provided.

I am opposed to two-thirds of the members present at a meeting of a company being allowed to vote for anything affecting the financial interests of the company or the shareholders. I maintain, and always have maintained, that the provision should be for two-thirds of the value of the capital, and I intend to maintain that, because no directors should have the power asked for in this Bill. It is so easy to avoid those who are in opposition to proposals affecting companies. I speak from my own knowledge, and I am sure there is not a man connected with companies who does not know that what I am saying is absolutely correct. If directors wish to

act in the interests of shareholders they will not be afraid of a provision requiring two-thirds of the value of the capital to sanction anything of a sweeping nature in connection with the company. After these protests, I have nothing more to say on the Bill. I agree in a sense with what my hon. friend from Vancouver said with reference to patchwork legislation. There ought to be, and I hope this discussion will be the means of bringing about some sort of body that will have power to check over-capitalization, not only as regards railway companies and public utility companies, but as regards such a company as the one under discussion. I tell you, Mr. Speaker, there is not a more important question in this country to-day than that under discussion. If this company takes in the Inland Navigation Company it will practically control the whole of Canadian transportation from Port Arthur to Montreal.

Mr. CURRIE: I do not wish to delay the vote on this Bill, but I think we are losing sight perhaps of the main issue that has caused this debate by having an academic discussion on the legal aspects of the case. It is only wise that Parliament should take notice of this Bill and of what it really means. This Bill affects every manufacturer who ships to the Northwest in the province of Ontario, it affects over 8,000 sailors; it means a matter of wages to them. If there is no competition, wages necessarily go down. On the American side of the great lakes, the United States Steel Company has lowered wages by a combination of ships owners till wages are lower than they are on the Canadian side. This Bill also affects the farming community of the West. I have every confidence in Canadians and in their management of affairs of this kind. But there is an interest in this company about which I do not feel quite satisfied. A few years ago there were plenty of tramp ships on the North Atlantic. No doubt some hon. gentlemen have seen statements in the press about the North Atlantic freight pool which the Canadian Pacific railway is occasionally breaking open. According to my information one of the largest factors in the North Atlantic pool, in putting tramp ships of the North Atlantic, which were cutting freight rates, into the trust basket, is what is known as the Furness interest. Since the tramp ship has disappeared from the North Atlantic the freight on a bushel of grain from Winnipeg to Liverpool has gone up eleven cents, that is in the last three years. The freight on a ton of flour from Montreal has gone up from $1.60 to $4.80. Now it has been said that this company has not merged any company that competed with them. That may be quite true in a narrow sense. The Richelieu and Ontario Navigation Company is largely a passenger company, and no company in reality competed with them on the St. Lawrence. But we find that the other constituent companies that have been merged by the Richelieu and Ontario Navigation Company did compete with each other in the matter of rates. For instance. the Inland line was composed of two or three lines, and the Inland line and the Northern Navigation Company were competitors before they were absorbed. Practically, this company will control 80 per cent of the freight on the great lakes, 80 per cent of hired help, 80 per cent of the merchandise going up, and 80 per cent of the merchandise coming down. Within the last four or five weeks I have been told by parties who were shareholders in this company that men representing the so-called Furness interests have been going around canvassing proxies for the annual meeting, which is to be held shortly, in order that they may throw the Canadians out. Of course if they throw out the Canadians directors, who perhaps have some appreciation of the necessity of keeping the rates on a reasonable basis, and the Furness interests get control, the whole inland system will be virtually in the control of the North Atlantic pool. That is what we are up against; that is how it looks to me. I do not think that the amendment proposed by the hon. member for South York touches this question at all, because it is a matter of public concern. This is one of those questions which we have no law to reach at present. Some day we will have to get a law to reach this question, just as we have laws to reach railway freight rates. As soon as the Northern Navigation Company and the Inland Line amalgamated I know, as a shipper, that their rates went up about 20 per cent. Since the Richelieu and Ontario Navigation Company took charge there has been no advance. The Richelieu and Ontario Company has been carefully managed and has acted very well indeed with the public since it has been in control of this concern. But what I dread is that the men who now control the destinies of the Richelieu and Ontario Navigation Company will be displaced by creatures of a new corporation that will be virtually under the influence of the North Atlantic freight trust or pool. It is well that Parliament has taken cognizance of this subject. My hon. friend from South York (Mr. Maclean) wants the matter of the issue of stock placed in the hands of the Board of Railway Commissioners. There is need that the Board of Railway Commissioners should have control of all lake freight rates. It may be asked: What right has this Government to interfere in a case of this kind? This Government has spent millions of dollars on harbours and

canals and surely the ship owners must recognize that there must be something given in return for those great public works. I do not see that this amendment will touch this question, but it is just as well that Parliament should recognize that it is legislating on possibly one of the greatest measures that has ever come before it. Reference has been made to the fact that no objection was ever before taken to the stock of this company being increased. That is quite true but the company at that time was not the company it is to-day.

Mr. MACLEAN (South York): Were the mergers that took place paid for by the additional issue of $5,000,000 that we authorized three years ago?

Mr. CURRIE: I understand that the mergers were largely paid for by the stock that was issued but they were not paid for at the time the stock was issued. They took advantage of the issue of stock to acquire funds and purchase additional ships. I realize that it is essential that there should be competition in freights on the great lakes, not cut-throat competition but healthy competition, because it is only by having healthy competition that we can have the trade carried on. Healthy competition on the great lakes has increased the trade during the last ten years by thousands of tons. It has really brought about a great fleet on the lakes, but with one fleet controlling everything, the smaller fleets have to stand aside and take what is given to them. I was reading the report of the Farrar Transportation Company, which has three steel freighters, and it showed that last year this company earned thirty-seven per cent net. That will give some idea of the earning power in connection with this trade. There is invested in shipping on the great lakes something like $25,000,000 or $30,000,000. This amendment of my hon. friend does nothing more than call the attention of Parliament to the fact that at some future day we will have to take the question up. If this new corporation is going to shove the freight rates up another thirty per cent the question will be one for serious consideration. It is very unfortunate that some hon. gentlemen opposite, in discussing a private Bill, assume that it must necessarily be supported by the Government of the day. I cannot conceive of a private measure as being in any sense a Government measure. The minister in charge of the committee, who heard it discussed in committee, is the party who, with the chairman, represents that committee in Parliament and it is quite proper that he should present his views before the House. It is very unbecoming for any hon. member to try to make political capital out of a private Bill. I do not think this amendment of my hon. friend will meet the situation at all. The situation is indeed serious and we will look with a great deal of interest to what will take place on the 19th of this month to see whether some hon. gentlemen who have seats in this House are going to be thrown off the board of this company.

Mr. GRAHAM: I want to compliment the hon. Minister of Finance upon the fact that he fathers, or becomes responsible for the explanation of measures that are discussed in the Private Bills Committee. My own opinion is that some minister should be on hand to discuss every Bill that passes through a committee of which he is a prominent member, and that when a railway Bill is up the Minister of Railways should be able to tell us all about it and discuss it for the benefit of those who are not on the Railway Committee. There are two points that have been raised in connection with this Bill. I refuse absolutely to discuss a private measure from a political standpoint. As a member of the Government I never did and as a member of the Opposition I do not propose to. The first question is that of rates and the next is that of capitalization. This amendment has nothing directly to do with the question of rates, although indirectly it has been pointed out that without safeguards this Bill may lead to an increase in rates. The question of rates is one that is so large that I could not take up the time of the House at this moment to discuss it. Railway rates and ocean rates present an anomaly in Canada and between Canada and the other side of the ocean which we have not yet been able to overcome. For example, we control the rates on the transcontinental railways. They have their own steamship lines from Canada to Liverpool. We can make the rate whatever we choose through our own commission until it strikes the seaboard but the same company, through their steamship line, will put on their own rates again as soon as the goods get on the ocean.

Mr. MACLEAN (South York): And they are doing it.

Mr. GRAHAM: So we do not have control. At one time during my term of office, certain correspondence took place between the Canadian Government, I think, through myself, and the home authorities as to the possibility of forming a joint control of rates, so that the rates on the ocean between Canada and the Old Land might be controlled as well as the rates on land. But, such control has not yet materialized. A great many difficulties were pointed out by the home authorities, but I am of the opinion that it is possible to work out a plan and a body to put that plan into operation so that the rates may be controlled between Canada and the Old Country. It was pointed out that it would perhaps drive trade

to United States ports. My view would be that it would have the very reverse result because, if, owing to control, cheaper rates were given by way of Canadian ports, it would assist Canadian ports rather than injure them. This question of rates is not affected by this Bill or this amendment. The Canadian Pacific railway, by consent, has its rates under the Board of Railway Commissioners. This company is said to compete with the Canadian Pacific railway and other railways; consequently if you followed that out to its logical conclusion you would place the rates of this company under the Board of Railway Commissioners but there is nothing in this Bill or this amendment affecting rates. I might say incidentally that the question of the water carriage of freight will have to be taken up by the Government and Parliament before long and some method of control of water-borne freight will have to be worked out as well as control of land-borne freight. I did not agree with my hon. friend the Minister of Finance when he argued that because a certain company had its powers through letters patent under the Companies Act and another company had its powers through a Bill granted by Parliament they were not in the same position as to control.

Let me point out that in the United States the railway companies all get their powers by letters patent, practically, and do not go through the state legislatures or Congress, and yet they are controlled not only by federal authority but also by state authority, so in that regard I think there would be no particular difficulty.

Now we come to the question of capitalization. That is a bigger question than one company, it is a very important question for the Dominion of Canada. In the United States some years ago, owing to the vastness of their transportation problem, and the great persistence and perversity of companies in forming mergers of railway and other transportation companies, an Act was passed placing this question of capitalization in the hands of the Inter-State Commerce Commission. I am not sure that it has worked out well but I shall not argue that point. It is a large problem, too large a problem to be solved by attaching one clause to any particular Bill. It is something that deserves the serious consideration of this House and if the Government will bring in a measure, as I understand they have it in mind to bring one in, of a comprehensive nature, I assure them that I will bring the best ability I can bring to bear on it, so that we may have an Act that will apply to transportation companies of every kind, railroad or water. Should we have control of rates by water? Granted that we should, I would go this far with the hon. member for South York (Mr. Maclean) if he thinks it would be in the interest of transportation, owing to arguments that have been advanced here, I would go with him to the length of saying that we ought perhaps, even in this Bill, to place this company in the same position as to capitalization that the railway companies are in, leave it to the Governor in Council and when we take it out of the hands of the Governor in Council, take all companies out of the hands of the Governor in Council and place jurisdiction with the Board of Railway Commissioners. But even if this Bill were passed, the Board of Railway Commissioners would have no power to deal with this matter. They have not been given the power. This Government has to take authority from Parliament by amendment to the Railway Act to give to the Board of Railway Commissioners power to act in such cases; the passing of this amendment would not in any way call upon the Board of Railway Commissioners to deal with it. I say that because when, as a young member of the Government some years ago, I proposed some amendments and by placing a clause in one or two Acts I thought I would give the Board of Railway Commissioners power to deal with such matters, I discovered that I would have to retrace my steps and bring in an amendment to the Railway Act giving them the power suggested. That is the way it must be done and the Government will have to take the responsibility.

Perhaps I am too delicate, but being a shareholder, although a very small shareholder in this company, I do not propose to vote on this question.

Mr. LEMIEUX: The other evening I suggested to the hon. member for Montmagny (Mr. Lesperance), who has fathered this Bill in the House, that he should give a little further explanation as to the use the company expected to make of this enormous amount of money. In my judgment the Richelieu and Ontario has been a credit to Canada, so far as water carriage and transportation is concerned. It is an old company, and has always been well managed. Therefore I do not speak against the proposed increase in capitalization because I bear any ill-will against the company, but I think the hon. member for Montmagny should give the House some explanation of the proposed use of this additional $5,000,000. The other evening I asked the president of this company, who is a member of this House, what use the company intended making of this enormous amount of money and he said that the company intended to apply the $5,000,000 towards terminals at the head of the navigation system, towards the establishment of a coal-depot at Toronto and the purchase

of one or two or perhaps three boats for the company.

Mr. PELLETIER: And the betterment of terminals at Quebec.

Mr. LEMIEUX: Is the company the proprietor of the terminals at Quebec? I was going to say that the explanations given are not satisfactory to members of this House. First of all I do not believe that the company will pay for the terminals at the head of navigation, I think these are government works. I know, as a matter of fact, that the terminals in Montreal do not belong to the company but to the Harbour Commission at Montreal, and at Quebec, if I mistake not, the terminals belong to the city of Quebec.

Mr. LESPERANCE: They belong to the company.

Mr. LEMIEUX: I was not aware of that. In Three Rivers they belong to the Harbour Commission of Three Rivers. At Sorel they belong to the company I think, at all events it is not very important; but below Quebec every terminal belongs to the Government of Canada, and I daresay the company does not pay a red cent for the use of those terminals. As a summer resident at Murray Bay I know that the wharfs and even the light are provided by the Government for the use of the Richelieu Company and also for the use of the public. Therefore as regards the terminals not much of this additional capital will be used by the company. As regards the boats I would be very much surprised if the company intended to build or acquire a new steamboat for the service below Quebec. The company quite creditably to it, purchased two or three years ago one of the most magnificent floating palaces I have seen in Canada or any other country in the world. It is only used during a few weeks of the year, at most three months. It is withdrawn from the service at the end of the month of August. Therefore the company, I feel confident, does not intend to build another floating palace as it did some years ago for the service below Quebec. Where then is that money going to? That is an explanation we have not yet received. I may state again that I have no ill-feeling towards the Richelieu and Ontario but I see nothing in the explanation given which would justify me in voting for that increased capitalization because, as some of my friends have stated, after all the consumers and exporters will have to pay he interest that will be distributed as dividends to the shareholders of the company.

I put another question the other evening to my friend, the president of the company, the member for Charlevoix (Sir Rodolphe Forget). I asked him most specifically at the end of the debate if the company intended to absorb other lines. I said I had just seen in the Montreal Herald that the company had absorbed various lines, and intended to pay with this additional capital for that merger. I was given a flat denial. The hon. gentleman answered by stating that the Montreal Herald was not the organ of the Richelieu and Ontario Navigation Company, and that that Company did not intend to absorb the companies that were named in the article published by the Montreal Herald. I hold in my hands the Montreal Gazette of this morning, with the annual report of the Richelieu and Ontario Navigation Company published in extenso, and here is what I read:

> The statement of this year includes earnings, expenses, &c., of its subsidiary lines, viz.: The Northern Navigation Company, Limited; Inland Lines, Limited; Niagara Navigation Company, Limited; Richelieu and Ontario Navigation Company of the United States; St Lawrence River Steamboat Company, Limited; Thousand Islands Steamboat Company.

Further down it says:

> Under the contract of May 18, 1911, which was approved of by a special meeting of the shareholders, June 26, 1911, the company has completed the purchase of the shares of the Northern Navigation Company, Limited, and Inland Lines, Limited.
>
> The company, on June 1, 1912, also acquired all the shares of the Niagara Navigation Company, Limited; St. Lawrence Steamboat Company, Limited, and the Thousand Islands Steamboat Company, as approved by special meeting of the shareholders on May 28, 1912.

There you have the explanation of this increased capitalization. It shows a merging of the various companies in the upper St. Lawrence. My hon. friend the Postmaster General, who is well acquainted with the situation between Montreal and Quebec, knows that the Richelieu and Ontario Navigation Company is without any competition in that section of the country.

Mr. PELLETIER: We are very glad to have it.

Mr. LEMIEUX: Certainly we are very glad to have it; but my hon. friend would not seriously pretend that competition would not be welcome. We are at the mercy of the Richelieu and Ontario Navigation Company. Since my boyhood, I have travelled on the boats of the Richelieu and Ontario Navigation Company; and I have seen I do not know how many lines coming into competition with that company's line between Montreal and Quebec, which is the favourite route. Eventually, they have all been absorbed, one after the other. What has been the result? My hon. friend will realize it at once. Let him ask my hon. friend from Temiscouata (Mr. Gauvreau)

what has been the result. The Richelieu and Ontario Navigation Company has favoured only those places where money is to be made for it. That procedure may be quite businesslike; but what has happened? The company has erected large summer hotels at Murray Bay and at Tadousac, and it gives special privileges to such places, but it neglects places as important as Fraserville, represented by my hon. friend from Temiscouata; and, in spite of appeals to the company, we in the district of Quebec have not been able to induce it to send a boat there in summer. The result has been that Rivière du Loup, which is the old name given to Fraserville, has been practically ruined as a summer resort; and, besides, the city of Fraserville is suffering considerably from the lack of steamship service. This is the result of the merger of our water transportation lines. Again I say that I have nothing against the Richelieu and Ontario Navigation Company; I have nothing against the president of the company; I will say this, that since he has taken charge of it, it has been well managed from the company's point of view, because it is paying a dividend of thirteen per cent this year.

Mr. LESPERANCE: The hon. member for Rouville is in error in saying that the company is paying a dividend of thirteen per cent; it is paying eight per cent. Thirteen per cent represents the earnings. The dividend and the earnings are not the same.

Mr. LEMIEUX: I accept the correction; but thirteen per cent as an earning is not to be despised. I would be glad to manage anything with an earning of thirteen per cent. Thirteen is generally an unlucky number, but not for the Richelieu and Ontario Navigation Company. I think under the circumstances the amendment should be accepted.

My hon. friend the ex-Minister of Railways and Canals (Mr. Graham)—I would think he is still the Minister of Railways and Canals, so conversant is he with the transportation problem—said that he had suggested two years ago that we should obtain from the home Government a joint adjustment of ocean freight rates. Not only did he do that, but, under the direction of the late Mr. Justice Mabee, correspondence was engaged in between the United States authorities and the Canadian Government in order to obtain the establishment of a joint board to adjust and control the rates between the railway companies across the line. I do not know what has become of that project; but such a high authority as the late Mr. Justice Mabee thought it should be carried out at the earliest opportunity. There is nothing to prevent this Government, if it does not wish to truckle, trade, or even discuss passenger and tariff rates with the United States, from again discussing the question with the home Government. With regard to the present legislation, I say that there has been a huge merger, which will affect not only the province of Quebec, not only the large and influential province of Ontario, but, in the judgment of my friend who represents the West in this House, the farmers of the prairies as well. Heaven knows that the farmer has enough to contend against, not to give him a chance, when Parliament can do so, by adjusting the rates on the great lakes and on the river St. Lawrence. I beg to support this amendment.

Mr. PELLETIER: Without entering into the details of this debate, I wish to correct a false impression which might be given by the remarks of the hon. member for Rouville (Mr. Lemieux). If these statements should go unchallenged or uncorrected, the public may be to a certain extent under the impression that, as a result of this Bill or of some merger which has taken place, an important point in the province of Quebec, Fraserville, in the county of Temiscouata, had been neglected by the Richelieu and Ontario Navigation Company, and that somebody is responsible for this state of affairs. Let me call the attention of the House to the fact, well known to the hon. member for Temiscouata, that Riviere du Loup was one of the ports of call of the Richelieu and Ontario Navigation Company for years, and also that it was given up as a port of call long before the late Government allowed the Richelieu and Ontario Navigation Company, in 1911, to increase its capital from $5,000,000 to $10,000,000. My hon. friend suggests that this was too bad for Riviere du Loup or Fraserville. I agree with him, and I think that Riviere du Loup is a point which surely ought to be taken care of. But we must not be unjust in these matters; and the country should know that this important change in the route followed by the Richelieu and Ontario Navigation Company steamers was made, and this port omitted as a port of call, before this company came before this House—at a time when my hon. friend was in power and when the hon. member for Temiscouata was here—and was granted an amendment to its charter without any conditions being enacted at the request of either of these hon. gentlemen.

Mr. GAUVREAU: The circumstances were different.

Mr. PELLETIER: This is the second time this afternoon that we have been told

that hon. gentlemen opposite have learned something. Well, when in power they seemed incapable of learning anything.

Mr. GAUVREAU : We had no merger at that time.

Mr. PELLETIER : That is a very surprising statement. I understood that all the mergers had taken place in the fifteen years of Liberal administration, and I think nobody can gainsay that statement. But my hon. friends did not say anything about this matter at the time when the company came before them for a change of charter. But, now they are becoming wise. I think the country will believe that as they learn so well in opposition, it will be best to keep them there a long time.

Mr. GRAHAM: Does the hon. gentleman think that that helps his Bill much?

Mr. PELLETIER: I am answering a statement made by the hon. member for Temiscouata. But we have been told lately that people on this side have no right to take account of things that occurred since two years, or more, ago. The hon. member for Rouville has said that there is no competition with the Richelieu and Ontario Navigation Company between Montreal and Quebec. There is competition as a matter of fact; but I must add frankly, that it is made by companies which are not nearly so well equipped and have not such fine boats as the Richelieu and Ontario Company has. A salient fact in this connection is that the Richelieu and Ontario Navigation Company with its boats is a serious competitor of the railway companies. We get lower rates, as everybody knows, from this company than we get from the Canadian Pacific railway or the Grand Trunk railway, and when the summer comes, the Canadian Pacific railway and the Grand Trunk railway lower their rates on account of the competition of the Richelieu and Ontario Navigation Company. I am told that this also happens in other parts of the country.

Mr. LEMIEUX: Is not that an argument for competition?

Mr. PELLETIER: It may be such an argument. But it shows there is competition now; that is my point. If the hon. member for Rouville will compare the winter with the summer rates of the Canadian Pacific railway, he will come to the conclusion that the Canadian Pacific railway have to lower their rates very much to meet the competition of the Richelieu and Ontario Navigation Company. Surely, if the operations of a company have the effect of lowering rates so much we ought to consider that company a public benefactor. And if we tell such a company that they are not to be allowed to increase their capital because they have ceased to call at Fraserville, surely we are making a mistake. The additional capital proposed to be placed at the disposal of this company is only $5,000,000 added to the $5,000,000 given to them in 1911. What harm has resulted from that increase in 1911? The directors of this company, these hon. gentlemen admit, have administered the affairs of the company very wisely and very economically. We are told that the company has fine hotels at Murray Bay and at Tadousac. That is very true and these hotels are a credit to the province of Quebec. Shall we tell the company that they should not build at the points that pay them best? If this company were one subsidized by the country, that would give Parliament a different position in this matter. But we do not subsidize them at all. I think the argument that has been given here is one that should appeal to both sides of the House. This is an important company and one that is rendering great public service. Shall we discriminate against that company so far as rights of capitalization are concerned? We have scores of Bills coming before this House from banks and other concerns providing for increase in their capital, and these have never been refused. Speaking for myself, I think there is a good deal in what my hon. friend from South York (Mr. Maclean) and my hon. friend from South Renfrew (Mr. Graham) have said as to the arrangements to be entered into in order to control the water rates as we control the rates on the railborne traffic. But why should we single out this company for special and exceptional treatment in this regard? Let us have a general Bill dealing with all, and putting all on the same footing, and greater justice will be done.

As to Rivière du Loup, in which I take a great deal of interest, because as my hon. friend knows, it is in the county in which I was born, the Government of this country has done something to relieve the situation. Since the time the Richelieu and Ontario Navigation Company ceased to call at Rivière du Loup, a company composed of business men of that town has been formed. They have a steamer there, I think it is called the Mahone, which is owned by people in Rivière du Loup, and this steamer now plies from Rivière du Loup to Tadousac and other points. The Government has given a subsidy to this company, and to a certain extent that has relieved the situation. Nor do I agree with the statement of the hon. member for Rouville that the fact that the Richelieu and Ontario Navigation Company has ceased to call at Fraserville has ruined that place. I would not like it to go uncontradicted that

this town, a very flourishing town, is on the point of bankruptcy. I know that its debt is very large, but I do not think the public men of that town should be judged by such a statement as has been made.

Mr. GAUVREAU: As a summer resort it has been ruined.

Mr. PELLETIER: As a summer resort it is much less than it was. Many people who go to 'la Pointe' now go by rail, and the officials of the Richelieu and Ontario Company have thought that, from a strictly business point of view, it did not pay to call at that port. They did not want to discriminate against it, but nobody can blame a company which is not subsidized by the Government, and which lives on its own resources, for calling only at those points which offer it sufficient inducements to do so.

Mr. GAUVREAU: It is my intention only to put a question to the promoter of the Bill. In 1908 a telegram signed by the hon. member for Charlevoix (Sir Rodolphe Forget), was sent broadcast throughout my riding to the effect that if a boat of the Richelieu Company did not call at Rivière du Loup, it was the fault of the Laurier Administration, and that if my opponent was elected, and the Conservatives placed in power, a boat would call at that port. Although the hon. gentlemen are now in power, I have not yet seen any boat call at Rivière du Loup, and I would ask the promoter of the Bill if, in the event of its becoming law, he can promise me that a boat will call at Rivière du Loup next summer?

Mr. MICHAUD: I also desire to ask the promoter of this Bill if there is any possibility of the boats of this company calling at Rivière du Loup in the future? This would greatly help the public in my own constituency, and in other parts of the province of New Brunswick. Many of my constituents have interests at Chicoutimi and Saguenay, and in order to get to these places, they are obliged to go by rail around the city of Quebec, but if the boats of this company called at 'la Pointe' or Rivière du Loup the public could get across the St. Lawrence in three or four hours. The present arrangement is very inconvenient, especially to those living in the northern part of New Brunswick.

Mr. LESPERANCE: I did not intend to take any further part in this debate, but some questions have been asked of me, and I wish also to correct some statements made by the hon. member for Rouville. The hon. gentleman has stated—and I do not wish it to go unchallenged—that the Richelieu Company have bought or effected a merger with every other company that has been organized for purposes of traffic between Montreal and Quebec. Some years ago two companies, called La Compagnie Nationale de Quebec and La Compagnie de Navigation Canadienne, were organized to operate between Montreal and Quebec. Both these companies went to the wall. These companies were not bought by the Richelieu and Ontario Company, although great efforts were made by the promoters of these companies to effect the sale of their interests to the Richelieu and Ontario Navigation Company. Now and then, navigation companies are formed between Montreal and Quebec with the special purpose of being ultimately bought over by the Richelieu and Ontario Company. With reference to the earnings of the Richelieu and Ontario Company, I may say that if the hon. member for Rouville will look up the report he will find that the net earnings of the company for this year are not quite up to a million dollars. This represents a little less than 10 per cent on the stock of the company. A dividend of 8 per cent has been declared, and the stock is quoted on the market around 116. I do not see why the hon. member for Rouville should complain because a navigation company so well managed as the Richelieu and Ontario Company earns about 10 per cent on its capital stock.

With reference to the calling of the boats of the company at Rivière du Loup, as I am only one of the directors I cannot say whether or not the company will decide to make Rivière du Loup a port of call in the future; but I may say that the Richelieu and Ontario Company is a business concern, and when it pays the company to call at a certain port—when there is sufficient traffic to warrant its doing so—the company generally arranges that this be done.

Mr. LEMIEUX: The boats of a subsidized company did call at this port.

Mr. LESPERANCE: I understand that the subsidy paid by the Post Office Department was reduced by the hon. member for Rouville when Postmaster General?

Mr. LEMIEUX: Yes.

Mr. LESPERANCE: Perhaps that is one of the reasons why this company discontinued the Rivière du Loup service. If the hon. member for Rouville had been as generous with respect to the Richelieu and Ontario Navigation Company when he was administrator of the Post Office Department as he was when he subsidized a company to do service between Rivière du Loup and Tadousac, a company having at its head a gentleman by the name of Camille Pouliot, now Judge of the Superior Court and brother-in-law of the hon. member for Rouville, and a company which the hon. gentleman subsidized to the extent of $20,000 a year——

Mr. LEMIEUX: I rise to a point of order. My hon. friend is wrong when he states that I subsidized the steamer.

Mr. LESPERANCE: Perhaps I went too far when I said that the hon. member for Rouville did so, but we always understood in Quebec that he was master of the Administration.

Mr. LEMIEUX: I do not think the hon. gentleman has a right to refer to me as being master of the Administration. I was a humble member of the Government, and never claimed to be master of the Administration.

Mr. SPEAKER: As the hon. gentleman evidently desires a ruling, all I can say is that I think this is becoming a too common proceeding.

Mr. LESPERANCE: I do not desire to trespass any longer upon the time of the House in dealing with this subject, but as a closing remark I desire to say that if the Richelieu and Ontario Navigation Company is subsidized by the Government to make Rivière du Loup a port of call, I have no doubt that in future the company will be only too glad to have boats call at Rivière du Loup, if it is treated as generously as the company which was subsidized by the Government of which the hon. member for Rouville was then a member.

House divided on proposed amendment of Mr. Maclean (South York).

YEAS:

Messieurs

Boyer,	Law,
Buchanan,	Lemieux,
Carroll,	Maclean (York, O.),
Carvell,	McCraney,
Chisholm (Antigonish),	McKenzie,
Chisholm (Inverness),	Marcil (Bonaventure)
Clark (Red Deer),	Marcile (Bagot),
Cruise,	Michaud,
Douglas,	Neely,
Emmerson,	Proulx,
Fortier,	Pugsley,
Gauthier (St. Hyacinthe),	Reid (Restigouche),
Gauvreau,	Richards,
Knowles,	Sinclair,
Kyte,	Turgeon,
Lapointe (Kamouraska),	Turriff,
Laurier (Sir Wilfrid)	Verville,
	Warnock, and
	White (Victoria, Alta.).—36.

NAYS:

Messieurs

Aikins,	McKay,
Ames,	McLean (Queens, P.E.I.),
Armstrong (Lambton),	Meighen,
Armstrong (York,O.),	Merner,
Arthurs,	Middlebro,
Ball,	Morrison,
Barker,	Munson,
Bennett (Calgary),	Nicholson,
Bennett (Simcoe),	Paquet,
Blain,	Paul,
Blondin,	Pelletier,
Borden,	Perley,
Bowman,	Reid (Grenville),
Boyce,	Rhodes,
Bradbury,	Robidoux,
Broder,	Schaffner,
Burnham,	Sevigny,
Burrell,	Sexsmith,
Chabot,	Sharpe (Lisgar),
Clark (Bruce),	Shepherd,
Clarke (Wellington),	Smith,
Clements,	Steele,
Cochrane,	Stevens,
Coderre,	Stewart (Hamilton),
Crocket,	Stewart (Lunenburg),
Crothers,	Sutherland,
Currie,	Taylor,
Edwards,	Thoburn,
Elliot,	Thornton,
Foster (Kings, N.S.),	Tremain,
Fripp,	Walker,
Girard,	Webster,
Hazen,	Weichel,
Henderson,	White (Renfrew),
Hughes (Victoria, O.),	Wilcox, and
Jameson,	Wilson (Wentworth).—74.
Lancaster,	
Lewis,	

Amendment negatived, main motion agreed to, and Bill read the third time, and passed.

At six o'clock, House took recess.

After Recess.

House resumed at eight o'clock.

DOMINION NORTHWESTERN RAILWAY COMPANY

Further consideration in Committee of the Whole of Bill No. 68, to incorporate the Dominion Northwestern Railway Company.—Mr. Bennett (Simcoe).

On section 3—capital stock:

Mr. BENNETT (Simcoe) moved to amend section 3 by substituting, in line No. 1, the word 'eight' for the word 'ten.'

Mr. LANCASTER: The Bill as drawn required only $2,000,000 of capital. When we inquired as to the length of the line, the solicitor who was in charge of the Bill erroneously stated that the length of the road was 1,000 miles; therefore, according to our usual custom, we made the capitalization $10,000,000, or at the rate of $10,000 a mile, which is our rule. I have been given to understand since that the solicitor, in making that statement, was mistaken. Had he stated what I now understand to be the fact that the line was only 800 miles long, the capitalization would then have been as now proposed by my hon. friend from East Simcoe (Mr. Bennett). I think that the amendment should be made.

Section amended as proposed, agreed to.

Bill reported, read the third time, and passed.

CANADIAN MEDICAL PROTECTIVE ASSOCIATION.

House in Committee on Bill No. 89, to incorporate the Canadian Medical Protective Association.—Mr. Chabot. (Mr. Deputy Speaker in the Chair.)

Mr. HENDERSON: About ten days ago I received a petition signed by upwards of fifty ratepayers in my county asking me to oppose legislation which was being promoted by the Medical Association. I confess I am at a loss to know whether or not this is the Bill to which these petitioners refer. I will read the petition and then it will be in the possession of the House. The petition is as follows:

Nassagaweya, Feb. 5, 1913.

Mr. D. Henderson, M.P.,
Ottawa.

Dear Sir,—We, a few of the ratepayers of this township, having learned with alarm of the intention of the Medical Association to pass legislation, which in our opinion will cause a monopoly of the system of healing, and thereby infringe upon individual freedom, respectfully ask you, as our representative in Parliament, to carefully watch their proceedings and use your vote and influence against any legislation which will prevent any individual in this Dominion from having his or her choice of the many different systems of healing now available.

Respectfully yours,
(Sgd.) J. W. Adamson.

And about fifty others. I am unable to decide whether that petition refers to this Bill or not; but this is the only legislation before the House so far this session which in any way relates to the Medical Association. I therefore request the promoter of the Bill to allow it to stand for a week, say till next Monday, until I can hear from some of these petitioners in order to be able to determine whether I should oppose the legislation or not. At present I am not able to connect this Bill with the petition; but, as it is the only Bill before the House in any way relating to that subject, I am compelled to take this course. I would ask the hon. member from Ottawa, who is promoting this Bill, to explain it, and then I will ask him to allow it to stand.

Mr. BURNHAM: I would also ask the promoter to explain this Bill. I am in a similar position to the member for Halton (Mr. Henderson). If this legislation intends to establish a monopoly, it would certainly have to be opposed.

Mr. MACLEAN (South York): I have had similar protests, and I should like to have the Bill explained.

Mr. CHABOT: In order to comply with the request of my hon. friend from Halton and other hon. members, I will offer a brief explanation regarding the Canadian Medical Protective Association and the Bill now under consideration. The Canadian Medical Protective Association has been in existence for ten years and has a large membership composed of duly and legally qualified physicians from all parts of the Dominion of Canada; it is affiliated with the Canadian Medical Association, which is the most important and the most influential medical society in Canada; in fact it is an offshoot of this society which holds a federal charter. The gentlemen, who are asking for this incorporation, are citizens of prominence and are surgeons and physicians of repute and high standing residing in different parts of the country. The object of the association is to maintain and uphold the dignity and honour of the profession, to encourage honourable conduct, and at the same time to discountenance and suppress unprofessional, unbecoming, and unauthorized practices.

Mr. MACLEAN (South York): What is unauthorized practice?

Mr. CHABOT: Unauthorized practice is unprofessional practice in so far as the medical profession of the Dominion and the various provinces may be concerned. Medical conduct and medical education of course are determined and absolutely controlled at the present time by provincial laws; in Ontario, for instance, we are directly under the Ontario Medical Act.

Another purpose of the association is to advise, to assist and to protect any of its members against whom unfair or unjust proceedings may be instituted. In fact, the chief aim of the association is to support legislative proceedings intended to benefit and calculated to foster feelings of good will and to strengthen the the ties of fraternity which already exists in the ranks of the medical profession throughout the Dominion. I can assure my hon. friend from Halton and the other hon. gentlemen who have asked for further information that the intention is absolutely an essential one of protection and not one of interference in any possible way. Hon. gentlemen will not deny that the medical gentlemen of this country have the right to band together for the purpose of promoting and protecting their mutual interests, providing they do not interfere with or infringe on the rights of others.

Mr. HENDERSON: I think the hon. member will consent to the Bill standing over for a week. There is no particular hurry. I assure him that I am not putting up any opposition to the Bill at the present time; I am inquiring from some of these

gentlemen who signed the petition what their real meaning is and what their objection is. I have an idea that they are afraid the measure may interfere with some religious ideas they may hold in connection with healing, and are afraid that their rights will be interfered with. Even if that be the case, I would like to protect my constituents who have these ideas. I may be mistaken, but from a quantity of literature that was inclosed to me with the petition, I am led to believe that there is something of that kind in connection with it, more especially as they speak about the system of healing. I confess, I do not see anything in the Bill that would really prohibit, unless it is contained in sub-section (b) of section 2, which speaks of unauthorized practise. Now all that I ask the hon. gentleman to do is to allow the Bill to stand over for a week, when I hope to get the information that I have referred to. It is quite probable that there will be no decided objection to the Bill unless some further protest comes from these people from whom objections have been received.

Mr. CHABOT: In order to allow the hon. member an opportunity to allay the fears and morbid apprehensions of his very careful constituents, I have no objection to the Bill being postponed.

Mr. EMMERSON: I would suggest that before my hon. friend brings up the Bill for further consideration, he should have the documents here that are referred to in section 4. Under this section, I think we are taking a leap in the dark. There may be something in that section that might interfere with the constituents of my hon. friend. We have these by-laws which are now in existence and which we propose under this Bill to ratify, and to make the real constitution and by-laws of this society.

Mr. HENDERSON: I desire to allay the fears of my hon. friend. I had observed what I consider rather drastic legislation as contained in section 4. When we are asked to adopt the constitution by-laws and rules of an unincorporated society and make them law, I confess it is a rather unusual thing. In the Railway Committee, when somewhat similar proposals are made they are opposed. But when a Bill bears the honourable names of those who are incorporators in this case, men some of whom were members of this House years ago and personally known to me, Dr. Roddick, and Dr. Lachapelle, and also Dr. Primrose, Dr. King, of Toronto, Dr. Courtenay, of Ottawa, and others I might name, I am not very much afraid of anything along the line that the hon. gentleman refers to.

Mr. EMMERSON: But it is your duty to know what you are doing.

Mr. HENDERSON.

Mr. HENDERSON: I am quite willing to take something for granted when I see the names of honourable men like those connected with the legislation.

Progress reported.

GUARANTEE COMPANY OF NORTH AMERICA.

House in Committee on Bill No. 31, to consolidate and amend the Act relating to the Guarantee Company of North America. —Mr. Baker.

On section 22—failure to fill vacancy does not invalidate acts of the board:

Mr. GRAHAM: I suppose that this section was fully considered by the Committee on Banking and Commerce. But would it not be possible that a certain number of directors, through disagreement on some question of policy, might resign, and the remaining members of the directorate, although possibly a minority, might go on and do the business of the company? Does the section provide all that is necessary for the protection of the shareholders?

Mr. PERLEY: This is a peculiar clause which is explained by the fact that they have this same right under their present charter. This is a very old company. It is provided that a majority of the directors shall be Canadians, and in order that they may be able to hold a meeting, the quorum of directors has been fixed at three. But the point raised by the hon. gentleman about the board going on without having filled the number of directors was not discussed in the committee.

Mr. WHITE (Minister of Finance): I might supplement what has been said by stating that a clause of this kind is by no means unusual. I believe that under the former Companies Act of Ontario, and also under the present one,—though I am not so sure as to that—the vacancies occurring in the board of directors between annual meetings may be filled by the remaining directors. I think the safeguard against such a situation as the hon. member refers to would be the fact that the majority of the directors would maintain their positions; they would hardly resign, because they would be in control and would desire to carry out their policy until the next meeting.

Mr. GRAHAM : I think the reason given by the hon. member for Argenteuil (Mr. Perley) would be good—that this provision is in their present Act. We do not wish to change the status they now enjoy. But if this were a new company, I should be prepared to argue that this should be safeguarded in some way, so that they should have to fill vacancies within a specified time.

Bill reported, read the third time, and passed.

BURRARD INLET TUNNEL AND BRIDGE COMPANY.

House in Committee on Bill No. 87, respecting the Burrard Inlet and Bridge Company.—Mr. Stevens. (Mr. Deputy Speaker in the Chair).

Mr. GRAHAM : Would my hon. friend from Vancouver tell us what the position of this company is? If I remember correctly, this is the undertaking about which there was a good deal of discussion in the House and in committee during the previous session. There was a municipal company, if I remember rightly, and a private company, and they came to some arrangement, as I understand it, by which this bridge was to be constructed, and certain government aid to be given. Has anything practical been done? Have they proceeded with the work, or are these two interests still conflicting?

Mr. STEVENS: Practically the last obstacle in the way of commencing the construction was removed only a few days ago in the Public Works Department—the matter of the approval of the plans. There has been a very long discussion between the Government and the company—which, by the way, is entirely composed of representatives of municipalities—as to the width of the span of the bridge, and the clearance underneath. This has now been finally disposed of, and the detail plans, which are being drawn by Sir John Wolfe Barry, of London, are now on the way. These detail plans could not be completed until the Government had finally decided on the exact width of the span and the height of the clearance. This having been done, it is anticipated that actual construction will be commenced at a very early date. I might say that the matter of the approval of piers has also been decided, so that there will be no further delay in the construction, and, in view of the importance of the work, I think that every possible speed has been exercised in arriving at its present stage of development. I may add that only about a month ago an additional amount of money was voted by the municipalities in order to complete the twenty-five per cent of paid-up capital which was necessary in order to commence construction. This added capital was voted only a very short time ago, and I think that all difficulties with respect to the construction of the bridge have now been removed.

Mr. GRAHAM: Has the private company connected with this bridge disappeared?

Mr. STEVENS: It was impossible for these municipalities to organize a company to construct the bridge, so that five individual citizens, who have only sufficient stock to make them capable of becoming incorporators, organized the company, but the city of Vancouver, district of North Vancouver, district of West Vancouver, and the municipality of Burnaby, own the entire stock, with the exception of a few shares held by these private individuals, which will be surrendered on demand.

Mr. GRAHAM: Was there not a government subsidy voted to the private company?

Mr. STEVENS: That was in connection with the V. W. & Y., for the construction of this bridge, but this was last year transferred to the Burrard Inlet Tunnel and Bridge Company. There is only one place where the bridge can properly be built across the narrows, and these two companies have entered into an agreement, which is on file with the Minister of Railways, with regard to the location, and I understand that all difficulties in connection with the construction have now been removed.

Mr. GRAHAM: There was some discussion as to the number of tracks that would be over this bridge. Could the hon. gentleman tell me what roadways, street railways and railways would be included in the bridge under this Act?

Mr. STEVENS: It is a vehicular, railway and tramway bridge.

Bill reported, read the third time, and passed.

CANADIAN NORTHERN BRANCH LINES COMPANY.

House in Committee on Bill No. 97, respecting the Canadian Northern Branch Lines Company.—Mr. Sharpe (Lisgar).

Mr. LANCASTER: This is an ordinary renewal. The power was given in 1911, and this is the first renewal that has been asked for. The Bill was unamended in the Railway Committee. It was exactly as it should be. We did not add any of the standard clauses in regard to municipal control of highways, and electric powers, because they had already been inserted in the statutes of 1911.

Mr. GRAHAM: The original statute gives the lines of railways which the renewal covers. Can the hon. member tell us to what lines this Bill refers?

Mr. LANCASTER: There is quite a number of them.

(a) From a point on the Oak Point branch of the Canadian Northern railway at or near Grosse Isle, thence in a generally northerly

and westerly direction to Grand Rapids near the head of lake Winnipeg, with a branch therefrom to a point on Sturgeon bay on lake Winnipeg;

(b) From a point at or near Wassewa, thence through or near Deloraine, Hartney and Rossburn to a point at or near Ethelbert;

(c) From a point at or near Yorkton, thence in a generally northerly direction to a point at or near Hudson Bay Junction;

(d) From a point at or near Craven, thence in a generally northeasterly direction to a point at or near Hudson Bay Junction;

(e) From a point at or near Craven, thence in a generally easterly direction to a point on the Rossburn branch of the Canadian Northern railway east of Yorkton.

Mr. GRAHAM: Has any of the Rossburn branch been built yet?

Mr. LANCASTER: I am not sure, but I do not think so (reading):

(f) From a point at or near Craven, thence in a generally northerly direction, via Humboldt, to a point at or near Prince Albert;

(g) From a point on the Qu'Appelle, Long Lake and Saskatchewan railway at or near Davidson, thence in a generally easterly direction, passing north of Last Mountain lake to a junction with the line authorized in paragraph (d);

(h) From a point on the constructed line of the Canadian Northern railway between Brancebeth and Kinistino, thence in a generally northeastery direction to Pas Mission;

(i) From a point on the line authorized in paragraph (d) in or near township 40, range 7, west of the principal meridian, thence in a generally westerly and northwesterly direction to a point on the constructed line of the Canadian Northern railway at or near Jackfish lake;

(j) From a point at or near Moosejaw, thence in a generally northwesterly direction, to a point on the Vegreville-Calgary line of the Canadian Northern railway between Camrose and Stettler;

(k) From a point on the international boundary in range 7, west of the 4th meridian, thence in a generally northeasterly direction through or near Medicine Hat to a point on the authorized line of the Canadian Northern railway near or west of Battleford;

(l) From a point at or near Macleod, thence in a generally northeasterly direction, to a point on the Saskatoon-Calgary line of the Canadian Northern railway, in or near ranges 1 to 4, west of the 4th meridian;

(m) From a point on the authorized Maryfield-Lethbridge line of the Canadian Northern railway at or near ranges 1 to 4, west of the 4th meridian, thence in a generally westerly and northwesterly direction, passing through or near Cardston and Fishburn to a point at or near Pincher Creek;

(n) From a point on the authorized Maryfield-Lethbridge line of the Canadian Northern railway in or near ranges 8 to 5, west of the 4th meridian, thence in a generally northwesterly direction, passing through or near Taber, to a junction with the line authorized in paragraph (l);

(o) From a point on the authorized Maryfield-Lethbridge line of the Canadian Northern railway between ranges 1 and 5, west of the 4th meridian, thence in a generally northwesterly direction to a point at or near township 17, range 18, west of the 4th meridian, thence in a northwesterly and westerly direction, passing along the valley of Sheep river, to a point on the west side of range 6, west of the 5th meridian;

(p) From a point at or near Lloydminster, thence in a generally northwesterly direction to a point at or near township 54, range 5, west of the 4th meridian, thence in a generally northwesterly and westerly direction to a point at or near Bruderheim;

(q) From a point on the authorized line of the Edmonton and Slave Lake railway between Morinville and the north boundary of township 61, thence in a generally westerly direction to a point in township 56, range 8, west of the 5th meridian;

(r) From a point on the authorized line of the Canadian Northern railway at or north of Fort Pitt, thence in a generally northerly and westerly direction, passing south of Lac la Biche, to a point on the Athabaska river.

These are the lines that were authorized in 1911, and which we are continuing here by the first renewal.

Mr. GRAHAM: Does my hon. friend know what the mileage of all these lines is? It makes quite a network of branch lines.

Mr. LANCASTER: I did know in the Railway Committee, but I have not a note of it here. I may say that in the Railway Committee I checked the capitalization. That being $15,000,000, at $10,000 a mile I found what the mileage was approximately.

Mr. GRAHAM: Any person who has studied the question realizes that what is needed in the West are branch lines and more branch lines in addition to the main lines. The difficulty I always found, and which I suppose my successor finds, is to get them to build the branch lines which are chartered. It is almost impossible to have them constructed as rapidly as the people want them.

Mr. COCHRANE: They will certainly construct these lines.

Mr. GRAHAM: I rather think that strong pressure was brought to bear to have certain branch lines built rapidly. I think one of them has been commenced, the one mentioned first.

Mr. LANCASTER: They said that one was commenced, but I forget which one it was.

Mr. GRAHAM: No doubt the scarcity of money at present, imaginary or real, is a reason for less rapid building than might otherwise have taken place. But the duty of Parliament is to urge as strongly as possible that the most important of these lines be constructed with as little delay as possible. I never took the view that taking the charter away from a company would help to build a railway. I was

rather criticised for holding that view. If the big companies cannot build those branch lines with sufficient rapidity, no other person can. At the same time Parliament has a duty to perform, for when we induce men to move their families into that new territory we ought to put forward our strongest efforts to give them railway facilities.

Bill reported, read the third time, and passed.

SHUSWAP AND OKANAGAN RAILWAY COMPANY.

House in Committee on Bill No. 82, respecting the Shuswap and Okanagan Railway Company—Mr. Green.

On section 1—agreement with Canadian Pacific Railway Company:

Mr. GRAHAM: There seems to have been a statute passed which is referred to here as section 6 of chapter 47 of the statutes of 1890.

Mr. LANCASTER: By that statute it is enacted that the Canadian Pacific Railway Company may give evidence of the consent of their shareholders to the amalgamation with this company in a little different way from that required of other companies under sections 361, 362 and 363 of the Railway Act. So as to be consistent we have enacted that, although the Shuswap and Okanagan Railway Company have to do it under these sections, as far as the Canadian Pacific Railway Company are concerned it would be sufficient to do it as required by their charter.

Mr. GRAHAM: Does this particular clause in their charter give them any advantage over any of the other big railways in the way of amalgamation or otherwise?

Mr. LANCASTER: No, it simply enacts that they shall give evidence of the consent of their shareholders in a slightly different way from that provided by sections 361, 362 and 363 of the Railway Act. While these sections shall be complied with exactly by the other companies, as to the Canadian Pacific Railway, it shall be sufficient if consent is given in accordance with their charter.

Mr. GRAHAM: I suppose my hon. friend has not failed to notice the fact that this is a very old friend—1886?

Mr. LANCASTER: Yes, the company was incorporated in 1886 by chapter 82 and then it went on until 1891. But it has been very much alive; the railway is constructed. This is not a renewal but it is merely a Bill to allow them to continue the agreement which they have made with the Canadian Pacific railway. It does not give them the right to go and build other lines.

Mr. GRAHAM: Does my hon. friend know the length of this road?

Mr. LANCASTER: I could not give it exactly at this moment.

Bill reported, read the third time, and passed.

CANADIAN NORTHERN QUEBEC RAILWAY COMPANY.

House in Committee on Bill No. 99, respecting the Canadian Northern Quebec Railway Company—Mr. Guilbault.

On section 2—lines of railway authorized:

Mr. GRAHAM: What is this?

Mr. LANCASTER: This charter is partly a renewal of an existing authority and it also grants authority for the construction of new lines. Paragraph (a) of section 2 is a renewal of previously authorized lines and (b) authorizes new lines.

Mr. GRAHAM: Paragraph (b) raises an inquiry in my mind as to the Canadian Northern Quebec project east of Montreal. If I remember correctly, in guaranteeing the bonds of the line from Port Arthur to Montreal, provision was made that, should the Government find it expedient, the Canadian Northern should be prepared to enter into an arrangement of some kind for an interchange of traffic with the Intercolonial railway east of Montreal. Has that idea developed at all, or would it be significant that they are now applying for power to build a line of their own from that point to Levis paralleling the Intercolonial railway? Would that lead us to believe that there is no likelihood of an arrangement being made between the Government and the Canadian Northern for an interchange of traffic? That brings up the other and bigger question of the agreement in existence with the Grand Trunk railway. Has the Grand Trunk shown any symptoms of wishing to withdraw from that agreement with the Intercolonial railway, or is it living up to its agreement to the fullest extent? Perhaps I would make it easier for my hon. friend if I would ask the question in this way: Is it living up to its agreement as well as it ever lived up to it? It is a well known fact that an arbitration has been trying for years to settle this matter. My own opinion is that there should be a finality to that commission's work very soon. What I do desire to ask is if there is any possibility that there will be an arrangement made with the Canadian Northern for an interchange of traffic east of Montreal?

Mr. COCHRANE: There has been no arrangement completed. The question has

been discussed to some extent but whether the arrangement shall start from Montreal or Quebec has not been determined. As far as the Grand Trunk living up to their agreement is concerned, it is pretty hard to say. The managing board of the Intercolonial railway claim they are not. As to the reference to the board of arbitrators, considerable delay was occasioned by the death of the chief arbitrator and the illness of Mr. Shepley. I had word from Mr. Justice Falconbridge to the effect that the arbitration would be finished up in a few days. Some points have not yet been finally settled.

Sir WILFRID LAURIER: It is certainly very desirable that the Canadian Northern railway, having reached Montreal with its western lines, should reach Quebec and the maritime provinces. It is however difficult to see where there is room for another railway from Montreal to Lévis. There are already three lines there, the Grand Trunk railway from Montreal to Richmond and from Richmond to Lévis, the Intercolonial railway over the Grand Trunk to Ste. Rosalie with a branch to Levis, and the Delaware and Hudson, the old South Shore, which skirts the St. Lawrence to Lotbinière and is to be extended to Lévis also. So a fourth railway would certainly have to parallel one of these roads if not two and it is therefore most desirable that arrangements should be made to have running powers over one of the existing lines.

Mr. COCHRANE: We would have to give notice of the traffic agreement in order to get running rights there, and until the aggreement is completed I do not think we should interfere. Then the Canadian Northern railway could not get out of Montreal, they would have to cross over and make a connection in Montreal if they are to avoid the construction of a road. Anyway the Canadian Northern railway have control of a road from Montreal to Quebec on the north shore.

Bill reported, read the third time and passed.

NIAGARA, ST. CATHERINES AND TORONTO RAILWAY COMPANY.

House in Committee on Bill No. 102, respecting the Niagara, St. Catharines and Toronto Railway Company—Mr. Wilson (Wentworth.)

On section 1:

Mr. LANCASTER: This is a company that does some building every time it gets a renewal of its charter. It is building through an expensive country. It has constructed a certain number of miles of electric railway in the Niagara district every time it gets a renewal and it sets a good example to other railway companies in that respect. They are now building from Niagara to St. Catharines and from Queenston to Niagara.

Mr. WILSON (Laval): Is it not through the Garden of Eden?

Mr. LANCASTER: I would not say the Garden of Eden, but it is through the Garden of Canada. It is an ordinary renewal and they have made progress since the last renewal.

Bill reported, read the third time, and passed.

DOMINION TRUST COMPANY.

House in Committee on Bill No. 10, respecting the Dominion Trust Company.—Mr. Stevens. (Mr. Deputy Speaker in the Chair.)

Mr. GRAHAM: As I understand the amendments in all these sections where the committee has amended the Bill, it is provided that certain steps must be taken by by-laws rather than in the open way in which the Bill was drawn in the first instance, namely by consent of the shareholders or directors.

Mr. AMES: This clause with reference to share warrants has been made to conform exactly with the amendments that were put by the House into Bill No. 9, respecting Canadian Explosives, Limited. The hon. member for St. John (Mr. Pugsley) at that time suggested that all these steps should be taken by by-law and that such powers should not be given to the directors as directors.

Bill reported, read the third time, and passed.

REGAL TRUST COMPANY.

House in committee on Bill No. 73, to incorporate the People's Trustee and Security Company, name recommended to be changed to the Regal Trust Company.—Mr. Fripp. (Mr. Deputy Speaker in the Chair.)

On section 13—annual statement to be given to Minister of Finance:

Mr. GRAHAM: Is my hon. friend the Minister of Finance sure that by this provision the statement given annually will be an absolutely accurate portrayal of the conditions of the company? I have in my mind the statement required of insurance companies. In some instances it is not fair to the company, in so far as it does not permit it to include certain things in its assets, which are real assets, namely, reinsurance in companies not doing business in Canada. The statement to the department must exclude certain amounts that should appear as assets, because the reinsurance is done with companies not permitted to do

or not doing business in Canada. Consequently, all the assets that would be taken into account if that reinsurance were done with a Canadian company or with a company registered to do business in Canada, have to be excluded from the annual statement of the insurance company; and in some cases it means a difference of thousands of dollars in the standing of the company as it appears in the report given to the public. This matter comes in here only incidentally. When my hon. friend considers the matter at a later date, it might be wise if the regulation which requires these assets to be excluded were altered, so that in the report required from the insurance company some memorandum could be inserted showing the real condition of its finances as regards reinsurance with companies not doing business in Canada. Some American companies, which do not do business in Canada, are perhaps the strongest on the continent; and our insurance companies often find it advisable to do some of their reinsurance with such companies. I will point out why that is the case. Application is perhaps made to several Canadian companies for a very large risk, which they are already carrying to the fullest extent possible. It is impossible for the Canadian companies to accept this risk unless they can place some of the insurance in companies not having a legal right to do business in Canada; and when a report is made out, they do not get any credit for that reinsurance. If there could be some column in the official report in which the company were allowed to state, notwithstanding the regulations, that they have this reinsurance with outside companies, it would be fair to the company and would give the public an accurate idea of its standing.

Mr. WHITE (Minister of Finance): The suggestion of my hon. friend is very well worthy of consideration. I will bring his remarks, as they appear in 'Hansard,' to the attention of the proper officials, and the matter will be considered at a convenient time. As my hon. friend has said, the statement required from insurance companies is somewhat different from the statement called for here. No such difficulty is likely to arise in connection with this particular company, because the statement called for here is a statement of the capital stock, the portion thereof paid up, the assets and liabilities of the company, the trust property held by it, and other details. That statement is not complicated by the considerations that have been drawn to my attention by my hon. friend. His suggestion in regard to insurance returns appears prima facie to be well worthy of consideration, and I will have it looked into with pleasure.

Section agreed to.

Bill reported, read the third time, and passed.

CONSIDERED IN COMMITTEE.

THIRD READINGS.

Bill No. 77, to incorporate the Calgary, Edmonton and Fort McMurray Railway Company.—Mr. Armstrong (Lambton).

Bill No. 79, respecting the Cariboo, Barkerville and Willow River Railway Company.—Mr. Green.

Bill No. 81, to incorporate the Quebec, Portland and International Short Line Railway Company.—Mr. Cromwell.

Bill No. 83, respecting the Southern Central Pacific Railway Company.—Mr. Sharpe (Lisgar).

Bill No. 91, respecting the Kettle Valley Railway Company.—Mr. Green.

Bill No. 60, respecting the Royal Canadian Academy of Arts.—Mr. Fripp.

QUESTIONS.

(Questions answered orally are indicated by an asterisk).

SASKATCHEWAN FEMALE LABOUR.

Mr. MARTIN (Regina):

1. Were any representations made by the Government or any member thereof, by letter or otherwise, to the Government of the province of Saskatchewan, requesting the said Government to amend an Act to prevent the employment of female labour in certain capacities, being chapter 17 of the Statutes of Saskatchewan 1912?

2. If so, what amendments were suggested by the Government to the Government of the province of Saskatchewan?

Mr. CODERRE:

1. Yes.

2. It was suggested that the Act should be amended in such manner as to remove any discrimination by name against Japanese or British Indian subjects.

CENSUS OF CANADIAN-BORN AND BRITISH-BORN.

Mr. BLAIN:

What percentage of Canada's population, according to the last census, were born in Canada and what percentage within the British Empire?

Mr. PERLEY: The tabulation by birth places of the people not yet being completed, it is not possible to give percentages of Canadians born and British born of the population.

INTERCOLONIAL RAILWAY—SECTION EAST OF GRAND NARROWS.

Mr. McKENZIE:

1. Who is the section foreman on the section of the Intercolonial railway immediately to the east of the Grand Narrows bridge?

2. How many men are regularly employed on this section?

3. How many extra men were employed on this section during the years 1909, 1910, 1911 and 1912, and how much was expended in each of the foregoing years on the said section in payment of extra labour, new ties, ballast and rails, respectively?

Mr. CODERRE:

1. John D. McNeill is acting section foreman.

2. Two trackmen are regularly employed on this section.

3. Forty-one extra men were employed on this section during 1909; forty during 1910; thirty-two during 1911; forty during 1912. There was expended for these extra men during 1909 an amount of $396.60; during 1910, $524.50; during 1911, $465.20; during 1912, $589..

For ties during these years, there was expended on this section, in 1909, $654.12; in 1910, $1,011.09; in 1911, $469.71; in 1912, $503.13.

For rails during these years there was expended, in 1909, $88.40; in 1910, $305.21; in 1911, $26.10; in 1912, $246.25.

During the years 1909 and 1910 no ballasting was done. During 1911 and 1912 the sum of $600 was expended in ballasting on this section.

NATIONAL SYSTEM OF TELEGRAPHS AND TELEPHONES.

Mr. SINCLAIR:

Is it the intention of the Government to adopt a national system of telegraphs and telephones?

Mr. PELLETIER: This subject has not yet been fully considered.

ST. PATRICE AND NOTRE DAME DU PORTAGE MAIL SERVICE.

*Mr. GAUVREAU:

What amount does the Post Office Department pay to the carrier of the supplementary mail in summer between St. Patrice, of La Rivière du Loup, and Notre Dame du Portage?

Mr. PELLETIER: Seventy-five cents per trip, amounting to $162 for the season.

ST. PIERRE DE SOREL POSTMASTER.

Mr. CARDIN:

1. Who has been appointed postmaster at St. Pierre de Sorel, county of Richelieu?

2. What is the date of the appointment?

3. Who recommended this appointment?

Mr. PELLETIER:

1. Mr. Pierre Cournoyer.

2 and 3. He was appointed on the 30th January, 1913, by direction of the Postmaster General.

JEFFERY M. CRISPO.

Mr. CHISHOLM (Antigonish):

1. Was any charge or complaint made against Jeffery M. Crispo, lately sub-collector of customs at Harbour au Boucher?

2. If so, what was the charge or complaint, and by whom made?

3. Was the charge oral or in writing?

Mr. REID (Minister of Customs): A charge as to political partisanship was made by Mr. E. L. Girroir against Jeffery M. Crispo, late sub-collector of customs, Harbour au Boucher. The investigating officer has been requested to return the charge to the Department of Customs, as it has not been returned with his report of the investigation.

BONAVENTURE COUNTY PATRONAGE.

Mr. MARCIL:

1. Is the patronage in the county of Bonaventure still exercised by Mr. J. A. Mousseau and Mr. A. Beauchesne, defeated candidates?

2. If not, are Mr. David Champoux, of Campbellton, N.B., or Dr. Arsenault, of Bonaventure, Quebec, or either of them, acting as advisers to the Government in the matter of such patronage?

Mr. BORDEN: In this county, as in other counties, the Government act upon the recommendations of persons in whom they have confidence.

TOLLETON AND HATFIELD POINT MAIL CONTRACT.

Mr. PUGSLEY:

1. Were tenders recently called for the carrying of the mails between Tolleton and Hatfield Point, Kings county, New Brunswick?

2. If so, what was the date named for the reception of the tenders?

3. What was the amount of each tender received on or prior to such date?

4. Was the contract awarded to the lowest tenderer? If not, why was it not so awarded?

Mr. PELLETIER: Tenders were invited for a proposed rural mail route in the district. The matter is still under consideration.

FOREIGN MERCHANT VESSELS—SALE OF GOODS.

Mr. McKENZIE:

1. Can the master of a foreign merchant vessel, including merchant vessels of the United States, duly registered as such, sell goods in Canada first having duly reported said goods at the custom house and paying the duty thereon, where the goods are duitable?

2. If not, what is the reason?

Mr. REID (Minister of Customs): Canadian customs officers may permit goods to be released from customs control when imported in a foreign registered vessel, provided the goods be not of a prohibited class

and if properly reported and entered for duty at the custom house, and provided such vessel be not fitted for or engaged in the fisheries.

FISHERY ADVISORY BOARD.

Mr. CHISHOLM (Inverness):

1. (a) Has the Government established a fishery advisory board? (b) If so, who are the members of the board, where are they located, and (c) what is the salary or other payment allowed to each?

Mr. HAZEN: (a) Yes. (b) C. H. B. Longworth, Charlottetown, P.E.I.; Gideon Hemeon, Lockport, N.S.; H. . Short, Digby, N.S.; W. C. Smith, Lunenburg, N.S.; F. H. Russel, St. Andrews, N.B.; A. B. Carson, Rexton, N.B.; F. T. B. Young, Caraquet, N.B.; Azade Arseneau, Grindstone, Magdalen Islands; D. F. Reid, Selkirk, Manitoba; John E. Sinclair, Prince Albert, Sask.; D. N. McIntyre, Victoria, B.C.; F. H. Cunningham, New Westminster, B.C. (c) Ten dollars per day when attending the meetings of the board or the committees thereof.

INTERCOLONIAL RAILWAY—PURCHASE OF LINOLEUM.

*Mr. EMMERSON:

1. Has there been purchased recently for the Government offices of the Intercolonial railway at Moncton, a quantity of cork matting? If so, what quantity, and was the purchase made after tender and contract, or by private contract?
2. If tenders were received, from whom, what were the prices tendered, whose tender was accepted and at what figures?
3. From what country was the said cork matting, if any, supplied?
4. What price was paid therefor, what was the total cost, and to whom paid?
5. To what use was the said cork matting, if any, put?

Mr. COCHRANE:

1 Yes. The estimated quantity required for the corridors and certain rooms which was ordered was 1,277 square yards. No tenders were invited. An offer with various samples was made by the Moncton Carpet and Furniture Company, of Moncton, N.B., for the supplying and laying of the linoleum required, a selection was made and the order was placed accordingly.

2. Answered by No. 1. The prices accepted, including the laying of the linoleum, were 90 cents per yard for the linoleum for the corridors and 80 cents per yard for the linoleum for the rooms.

3. From Scotland.

4. Prices to be paid are given in No. 2. No payment has yet been made.

5. The linoleum is to be used in the corridors and in the rooms of the general office building.

ST. TITE DES CAPS AND BAIE ST. PAUL MAIL CONTRACT.

*Mr. LEMIEUX:

1. Were tenders called for the mail service between St. Tite des Caps and Baie St. Paul?
2. If so, who tendered and what was the amount of each tender?
3. To whom has the contract been granted, what cost, and on whose recommendation?
4. On what was the said contract granted?

Mr. PELLETIER:

1. Yes.

2. Thomas Tremblay, $2,919—withdrawn; Joseph Dufour, $2,475—withdrawn; H. Girard, $3,500—reduced to $3,100; Gédéon Dufour, $3,120; H. Dufour, $3,425; P. Bouchard, $3,677.75; G. Simard, $3,693.40; A. Boily, $3,700; L. Lellond, $7,000.

3. The two lowest tenderers having withdrawn their tenders because they were unable to furnish the security required, the contract was awarded to H. Girard at $3,100 per annum.

4. On the 8th July, 1912. The contract commenced on 22nd July, 1912.

EMPLOYMENT OF ARTHUR DUSSAULT

Mr. PROULX:

1. Is Mr. Albert Dussault in the employment of the Post Office Department? If so, what is his salary?
2. Has he passed examinations required by the Civil Service Law?

Mr. PELLETIER:

1. George Albert Dussault was appointed by the Civil Service Commission as a packer in the Postal Stores Branch of the Post Office Department on the 1st of April, 1912.

2. He passed the examination required by the Civil Service Commission.

EMPLOYMENT OF J. BTE. MORIN.

Mr. PROULX:

1. Is Mr. J. Bte. Morin employed in the post office at Quebec?
2. Has he passed his examinations?
3. What is his salary?

Mr. PELLETIER:

1. Jean Baptiste Morin reported for duty as a temporary clerk in the Quebec Post Office on the 15th November, 1912.

2. He has not yet passed the Civil Service examination.

3. $500 a year.

CAMPBELLTON-GASPE SS. SERVICE.

Mr. MARCIL:

1. Has the Department of Trade and Commerce renewed its contract with the owners of the SS. Canada for the service between Campbellton, N.B. and Gaspé, Quebec, and way ports? If so, at what figure, and for what period?

2. If such a contract has been entered into, has the department insisted upon the company attaching to their contract a tariff of rates reading from Campbellton to Baie des Chaleurs ports, as per Canadian point freight classification, and does the contract compel them to publish that tariff and to maintain it, as suggested by the Deputy Minister of Railways and Canals on September 16, 1912, to the Deputy Minister of Trade and Commerce?

3. If not, does the department intend to take such action?

Mr. PERLEY:

1. No.
2. Answered by No. 1.
3. The matter is under consideration.

WESTERN SCHOOL LANDS.

Mr. MARTIN (Regina):

1. What was the total area of school lands sold in each of the provinces of Manitoba, Saskatchewan, and Alberta in each of the years 1908, 1909, 1910, 1911 and 1912?

2. What was the total amount of money for which such lands were sold in each of the said provinces during the said years?

Mr. ROCHE:

1. Manitoba—1908, 109.40 acres; 1909, 80,-195.13 acres; 1910, 670.41 acres; 1911, 212.45 acres; 1912, 64,647.69 acres; total, 145,835.08; Saskatchewan—1908, 547.87 acres; 1909, 15,346.69 acres; 1910, 304,458.08 acres; 1911, 1,505.60 acres; 1912, 105,067.45 acres; total 426,925.69 acres; Alberta—1908, 720.86 acres; 1909, 234,918.85 acres; 1910, 182,434.33 acres; 1911, 385.81 acres; 1912, 2,423.18 acres; total, 420,883.03.

2. Manitoba—1908, $1,013.57; 1909, $773,-257.92; 1910, $15,437.43; 1911, $4,302.31; 1912, $712,564.11, total, $1,506,575.34; Saskatchewan, 1908, $7,258.89; 1909, $242,355.13; 1910, $4,569,727.26; 1911, $48,251.95; 1912, $2,023,-117.20; total, $6,890,710.43; Alberta, 1908, $10,217.56; 1909, $2,569,622.99; 1910, $2,217,-644.84; 1911, $5,338.50; 1912, $111,678.19, total, $4,914,502.08.

TERMINAL ELEVATORS.

Mr. MARTIN (Regina):

1. What area of land has the Government purchased for terminal elevator purposes?
2. Where is the land situated?
3. What was the purchase price, and from whom was the land purchased?
4. How many elevators have been contracted for by the Government to be built on this land?
5. What was the contract price of each?
6. How much has the Government expended on each contract?

Mr. PERLEY:

1. 37¾ acres.
2. Port Arthur, Ontario.
3. $90,000, from Canadian Northern Railway Company.
4. One.
5. $1,179,500.
6. $288,507.52, up to 14th February, 1913.

SASKATOON COAL LANDS.

Mr. TURRIFF:

1. What area of coal lands have been disposed of in the province of Saskatchewan by sale and by lease, respectively?
2. What amount of revenue has the Government received on account of coal lands sold and leased, respectively?
3. What royalty is at present paid to the Government on account of coal mined in Saskatchewan?
4. What is the total amount of royalty collected by the Government to date?

Mr. ROCHE:

1. Dominion lands: by sale, 7,694·62 acres; by lease, 4,060.96 acres. School lands: area of school lands leased for coal mining purposes in the province of Saskatchewan, 2,608·53 acres. No coal rights in school lands have been sold in the province of Saskatchewan.

2. Dominion lands: from coal lands sold, $2,088,346.66; from coal lands leased, $1,-133,239.30. School lands: rental received on account of school lands for coal mining purposes, $5,570.84.

3. Dominion lands: On coal mined under lease of five cents per ton of 2,000 lbs; on coal mined under sale, ten cents per ton of 2,000 lbs. School lands: five cents per ton of the coal mined.

4. Dominion lands, $646,093.16; school lands, $3,928.60.

DISMISSALS.

Mr. BELAND:

What are the names and addresses of the postmasters dismissed in the county of Dorchester since the 1st October, 1911?

Mr. PELLETIER: Abenakis, Joseph Chabot; Fir Grove, Joseph Nadeau; Frampton, W. J. Doyle; Hemison, John Dillon; Lake Etchemin, Joseph Begin; Langevin, Misael Morisset; O'Farrell, Patrick O'Farrell; Riviere Paquette, Amedee Dionne; Rouisseau a L'Eau Chaude, James Kilgannon; St. Abdon, Omer Faucher; St. Anselme, L. V. Bernier; St. Benjamin, O. F. Boucher; Ste. Hénédine, Mrs. Louise Mercier; Ste. Marguerite de Dorchester, J. B. Begin; St. Nazaire de Buckland, Charles Dupont; Ste. Rose de Watford, P. K. Provost; Standon, Arthur Genest.

Mr. BOURASSA:

1. Was the postmaster at St. Henri de Levis, Francois Xavier Ferland, dismissed since the 21st September, 1911?
2. If so, when, why and at whose request was he dismissed?
3. Did the Government grant him an inquiry?
4. If so, what is the name of the person who made this inquiry?

5. What amount has been paid to the inquiring commissioner for his fees, disbursements and for his proceedings and reports, respectively?
6. Has the Government paid any other person in connection with this inquiry?
7. If so, to whom and what amount to each?
8. How much did this inquiry cost?
9. What is the name of the person appointed in place of the dismissed postmaster?
10. Is the Government aware that the new postmaster is said to have given over his contract to a person who is not a British subject, and who keeps the post office in another place than that for which the contract was given to the new postmaster?

Mr. PELLETIER:

1. Yes.
2. On the 20th July, 1912, for political partisanship, by direction of the Postmaster General .
3. Yes.
4. Mr. Lawrence Stafford.
5. $59.35.
6. No.
7. Answered by No. 6.
8. Answered by No. 5.
9. Philias Couet.
10. No.

Mr. BOURASSA:

1. Was the postmaster at St. Romuald d'Etchemin, Ed. Roberge, dismissed from his duties since the 21st September, 1911?
2. If so, when, why and at whose request was he dismissed?
3. Was an inquiry granted to him?
4. If, so, what is the name of the person who made this inquiry?
5. What amount has been paid to the inquiring commissioner for his fees, disbursements, and for his proceedings and reports?
6. Has the Government paid any other hall where this inquiry was held?
7. Has the Government paid the fees of the attorney and witnesses?
8. If so, to whom and how much to each?
9. How much did this inquiry cost?
10. What are the names of the persons who requested to be appointed postmaster at St. Romuald d'Etchemin?

Mr. PELLETIER:

1. Yes.
2. On the 30th July, 1912, for political partisanship, by direction of the Postmaster General.
3. Yes.
4. Mr. Charles Smith.
5. $94.60.
6. Nothing.
7. No.
8. Answered by No. 7.
9. Answered by No. 5.
10. Messrs. G. A. Marois and J. E. Gingras.

Mr. BOURASSA:

1. Was Hippolyte Roy, of the Parish of St. Lambert, county of Levis, postmaster for several years at St. Lambert, dismissed since 21st September, 1911?
2. If so, when, why and at whose request was this dismissal made?
3. Was an inquiry granted to him, and was he permitted to have an attorney in order to defend himself at that inquiry?
4. What is the name, if an inquiry was held, of the person who made this inquiry?
5. Who has been appointed postmaster in the place of H. Roy, and on whose recommendation?

Mr. PELLETIER:

1. Yes.
2. On the 25th June, 1912, for neglect of duty, by direction of the Postmaster General.
3 and 4. An official investigation by the post office inspector, Mr. S. Tanner Green, was held on complaints that the management of the post office was unsatisfactory. The official report showed that the complaints were well founded and called for a change in the postmastership.
5. Mr. Charles Turgeon, by direction of the Postmaster General.

Mr. McKENZIE:

1. When was Richard Heckey dismissed from the position of Immigration agent at North Sydney, Nova Scotia?
2. What salary was paid to Mr. Heckey during his term of office?
3. Who was appointed in his place, and at what salary?

Mr. ROCHE:

1. 31st July, 1912.
2. $1,000 per annum.
3. John J. Dooley, $1,000 per annum.

Mr. McKENZIE:

1. When was Abraham Astephen dismissed from the inspector for the Immigration Department at North Sydney, Nova Scotia?
2. What salary was paid to Mr. Astephen during his term of office?
3. Why was he dismissed?
4. Was he charged with political partizanship? If so, by whom?
5. If partisan charges were made against Mr. Astephen, were they investigated, and by whom?
6. Who was appointed in place of Abraham Astephen, and at what salary?

Mr. ROCHE:

1. Abraham Astephen was employed as an interpreter. His services were dispensed with 15th June, 1912.
2. $40 per month.
3. Partisanship.
4. Yes. J. MacCormack.
5. No. Investigation not necessary.
6. Aziz Dagher. $40 per month.

Mr. McKENZIE:

1. When was J. W. McLean, M.D., of North Sydney, Nova Scotia, appointed medical officer of the Immigration Department at that place?
2. When was he removed from office?
3. For what reason was he removed?
4. Were charges of political partisanship made against him? If so, by whom?

5. What salary was paid to him during his term of office?

6. Who was appointed in place of Doctor J. W. McLean and what salary is paid to his successor?

Mr. ROCHE:

1. February 1, 1907.
2. 31st August, 1912.
3. Partisanship.
4. Yes, by John MacCormack.
5. $1,000 per annum.
6. Dr. M. T. McLean, $1,000 per annum.

PRIVATE BILLS COMMITTEE.

Mr. BORDEN moved,

That the names of Mr. Perley and Mr. Chisholm (Antigonish) be added to the Select Standing Committee on Miscellaneous Private Bills.

Motion agreed to.

EXPRESS RATES.

Hon. H. R. EMMERSON (Westmorland) moved:

That, in view of the alleged widespread feeling throughout Canada, that the rates or transportation charges exacted by the express companies in Canada for the carriage of traffic are said to be excessive and in many instances abnormally extravagant, to such a degree that it has, in the opinion of very many, become intolerable it is, in the opinion of this House, desirable that a further inquiry should be had by the Railway Commission of Canada and that such inquiry or investigation should be held and heard by the full Board of Railway Commissioners and not by any division or committee thereof, and should include not only an inquiry as to the tariff rates and the consideration of all matters relative thereto in force by the said companies respectively, during the past ten years, or in the case of companies not in operation that length of time, for the period during which they have respectively actually carried on an express business in Canada, but as well relate to and include the investigation as to the amount of capital actually paid in cash and invested in the business operations of all said companies respectively, and the amount or other dividends declared and actually paid by the said respective companies, and that the period over which such inquiries should extend, should be the operations of said companies, respectively during the past ten years or in the case of companies not in operation that length of time, for the period during which they have been operating as carriers of goods by express; and such investigation or inquiry shall also relate not only to the rates charged by the said companies, but as well to the proportions of such charges, or rates collected, paid to the railway and steamship companies and to other transportation companies operating in Canada respectively, and to the Intercolonial Railway of Canada and to the Government of Canada, or any department thereof, as also to individuals, in connection with the transportation of express traffic.

Mr. McKENZIE.

He said: Mr. Speaker, I appreciate the fact that the measure of one's usefulness as an ordinary member of this House is not to be taken by the number of times he addresses you, but rather by the importance of the subjects presented and the sincerity with which these subjects are discussed. I therefore feel that there is no apology needed for presenting to the House a resolution relating to the subject which is involved therein. Its importance will be recognized on all hands, not only upon its own account but because of its cognate relationship to the question of parcel post. I feel that I cannot deal with this subject as well as I would like at this late hour; the subject is really of such wide importance, and is so generally recognized by the people of the country that as a matter of necessity the facts relating to it are very comprehensive and would naturally take up a good deal of time. Let me point out that the resolution, when analysed, simply means that there is a widespread feeling throughout the country that the cost of transportation by express is excessive. That is the first statement in the resolution. The second is that because of that there is a necessity for a further inquiry into the subject by the Railway Commission. Its importance must be recognized by the fact that the express transportation tax is over $1.25 per head of the population of Canada, and it is a matter that affects every section, every province, and the people everywhere throughout the country. The necessity of a further investigation into the subject I think will be apparent when I have brought to the notice of the House the facts relating to it. I do not propose to offer any opinions of my own; I shall content myself with simply presenting to the House certain facts and figures and it will then be for the members of the House to draw their own conclusions and to devise such action as would seem to be necessary under the circumstances. Not only do the express companies in Canada have to do with transportation, but in a measure they do other business incidentally connected therewith. Practically, they do a certain banking business in the way of exchange, and I was surprised to see the revenues which these companies secure in connection with this branch of their business.

In 1906 express companies were first brought under the jurisdiction of the Board of Railway Commissioners for Canada, and in 1907, after the control of express companies was placed by the Railway Act under the direction of that board, the late chairman, Judge Killam, started an investigation, I think on December 10, 1907. I do not know how long Judge Killam devoted to that inquiry, but as he died in March, 1908, the investigation was

not finished. It was subsequently proceeded with by his successor in office, Judge Mabee. I cannot very well deal with the subject of the conclusions reached as a result of that investigation without making somewhat lengthy extracts from the general judgment which was delivered by Judge Mabee in which he recited practically the salient features brought out in the evidence before him and also referred to the opinion expressed by his predecessor in office, Judge Killam. In holding that investigation Canada was but following the precedent established by the United States in the matter of the express companies in that country, and the inquiry followed along the same lines. The investigation brought out a great many facts. It was attended by the representatives of the three great Canadian express companies and also by representatives of the American companies which do business in Canada as well as by some other Canadian railway companies which were given notice and which had an opportunity of appearing. At the commencement of the investigation the legislation of 1906 was first discussed at some length and the chief commissioner ruled that the tariffs which had been submitted for the approval of the board required the affirmative approval of the board and that the onus of establishing that the tariffs were reasonable and fair was upon the express companies. It was then suggested by the companies that a stated case might be submitted for the consideration of the Supreme Court upon three points, first, as to whether these tariffs required affirmative approval in the first instance and, second, if so, as to the onus of proof and, third, as to the principles upon which the board should proceed in deciding whether to approve or disapprove the tariffs submitted. I may say that Judge Killam treated it as an application by the express companies in Canada for the approval by the board of their standard tariffs. At first, as I have stated, the companies took the ground that the law was defective with respect to the matter and that this stated case should be submitted to the Supreme Court, but after much discussion the companies abandoned the alternative of submitting these questions to the Supreme Court and the inquiry proceeded gradually, developing into practically an investigation into all the various phases of the express business as carried on in Canada and to some extent in the United States. I cannot very well place before the House the evidence that was given, nor would I wish to take up the time of the House in calling attention in detail to all that transpired, but I shall take the liberty of quoting from that general judgment as to the views which the commission entertained with respect to the whole subject. The judgment is a very valuable one, it is indeed a treatise upon the express business and while it in no sense concluded the case or dealt with all points that were raised, yet it laid down certain principles that should govern the commission in making its subsequent orders. There was no concrete judgment as to tariffs, but as a result of that judgment, from time to time, orders were passed by the board relating to this or that phase of the whole difficulty. In that judgment Judge Mabee recited among other things the following:

> A vast system of transportation by express companies has grown up, involving both in physical operation, as well as in its financial features, details of a most complex character. To cover all the matters discussed in the inquiry into the affairs of these companies by fair and well digested findings is not possible. There are some features connected with the business of these companies, that at the present stage, the board cannot satisfactorily dispose of, and after long and patient consideration, perusal and reperusal of the evidence and argument it has been concluded that much the fairer course to pursue is to deal with all matters about which we have no reasonable doubt, leaving others that we find we cannot satisfactorily dispose of in abeyance for further discussion, or for additional evidence. This course we think more in the interest of all concerned than that further delay should be permitted in disposing of matters about which we have come to conclusions, and which cover much the larger portions of those involved; and it is more than likely that in the result the questions not specifically disposed of now, will by reason of the rulings now made, gradually adjust themselves.

The words of the Chairman of the Board on that occasion indicate that any conclusions which they reached at that time were not to be considered as by any means final, in fact you will find all through his rulings the idea that he was simply skirting the subject, and that he touched here and there some vital features which, as he thought, could be remedied at the moment, leaving for future determination certain other difficulties which presented themselves to the board at that time but with which they were unable to deal satisfactorily to themselves or to all who might be interested in the subject.

I said that the express companies made a suggestion as to the submitting of a case to the courts. The former Chief Commissioner, when that suggestion was made—I refer to the lamented Judge Killam—gave utterance to the following, which I think, is worthy of consideration. It gives an idea of what was in the minds of the members of the Board as to how the whole subject was to be treated, the difficulties that presented themselves, the solutions that were possible, and the basic principles which should govern the investigation:—

The third question I would suggest is as to the principles upon which the board is to proceed in deciding whether to approve or not approve the tariffs submitted.

Under the legislation in the old province of Canada, the General Railway Act, made part of the Grand Trunk railway's charter, and probably under the charters of other railway companies incorporated before Confederation, their rates were subject to approval by the Governor in Council. That legislation is continued in the General Railway Acts after the formation of the Dominion, and probably most, if not all of the railway companies doing business in Canada, were subject, at any rate up to the passage of the Railway Act of 1903, to such provisions requiring the rates to be approved by the Governor in Council, and provisions giving the Governor in Council power to vary those from time to time.

I have traced all that legislation up to the judgment in the case of Robertson v. the Grand Trunk Railway Company, now before the Supreme Court.

The Governor in Council, I apprehend, under that legislation, was subject to no legal rules other than such as approved themselves to the Governor in Council. There was no tribunal which had power to review the conclusions of the Governor in Council upon such matters. I take it that under the Railway Act the Board of Railway Commissioners, in approving these standard tariffs, are in the same position. It was expected, of course, that the board would be reasonable and just to everybody. The provision authorizing the board to disallow the tariffs was that it could disallow them if it considered them to be unjust or unreasonable. No rules were laid down. I do not think the board would be bound by the rule applicable at common law to determine whether charges of common carriers were just and reasonable, and I do not think that the board could be bound by the rules that have been laid down in the United States to determine the constitutional limitations of the powers of the State Legislatures. So far as these principles commend themselves to the judgment of the board as consonant with natural just and right under the circumstances, the board can adopt and follow them, but I mean to say that, as a matter of law, it is not bound by the principles that have been laid down, so far as they have been laid down at common law, for the purpose, or by the principles so laid down as constitutional limitations in the United States.

I think the board is entitled to take into consideration the probable expense that companies will be at in transacting the business to be done under these tariffs, and the probable returns from that business, and the probable profit to be made among other factors. Those, where the opportunity exists, may be judged by the circumstances of the past. Where the company has already been carrying on such business, and, for that reason, it seemed to me that this evidence respecting the receipts from the business of these two express companies (the Canadian and the Dominion), we have had before us, and their expenses, is material evidence. And, in considering the expense to which these companies would be put, naturally the payments to be made to the railway companies, on whose lines their business is carried, comes in, and the position then of the express companies with regard to these railway companies; whether they are separate independent bodies, dealing with each other at arm's length, each looking after its own interests, or whether in any case they are really one concern, is material; the relations between them; the condition of independence one of the other. All that is material.

Of course, I do not hesitate to state also that, for what it is worth, evidence as to how such business is transacted elsewhere, and the proportions of the express business received by the companies who furnish the transportation, or the amount paid for such transportation, is material to be considered. But that appears to me to be the position of it with regard to the principles. I thought perhaps it might be well to express those, and that the parties might then make up their minds whether they think it desirable, before the board concludes these matters to lay any of the questions of law that seem to arise, before the Supreme Court for consideration in such a way that we may, if possible, have its conclusion in time to base our judgment upon it in the end, rather than that we should go on independently, and consider and arrive at conclusions, and have these matters made a matter of appeal afterwards.

It will thus be seen that the then Chief Commissioner of the Board of Railway Commissioners, thought that it was pertinent to such an inquiry that there should be an investigation not merely as to the business that was done, but how it was done and its relation to the railway companies. And in discussing this matter, we must bear in mind the fact that, so far as the Canadian express companies are concerned, each is allied to one of the great railway companies of Canada. For instance, the Dominion Express Company, one of the largest in Canada, is practically the Canadian Pacific Railway Company. It is owned and controlled and operated by that railway corporation. The Canadian Northern Express Company is part and parcel of the Canadian Northern Railway. Their interests are so interwoven that, practically, in dealing with the express companies in Canada you deal with the great railway corporations. And though separate accounts are kept and though they are separate so far as their indentity is concerned from these railway companies; it is only for the purpose of carrying on this express business and these separate companies being practically the agents of the railway companies in dealing with the patrons of these companies in the matter of their express business.

Mr. BLAIN: Has the hon. gentleman any information as to decreases made in express rates upon different Canadian goods since the express companies were

put under the Railway Commission in regard to rates?

Mr. EMMERSON: The information I have is too voluminous to permit my imposing it upon the House under the present circumstances; but as a result of that inquiry orders were made from time to time with respect to certain classes of agricultural products, such as cream, butter, eggs, and other products of the creameries, and such goods as are usually carried by the express companies. There was, practically speaking, no change with respect to the products of the creameries. For instance, previous to the filing of the new standard tariffs in 1907, and before the companies were made subject to the Railway Act, they imposed a charge for carrying the products to the point of destination, and in that charge was included the case of having the empty vessels returned free of charge. A fixed charge was made for carrying cream from one point to another in cans, and these cans were returned to the shipper free of charge. As a result of this investigation no change was made in the original charges, which included the return of empties, but an additional and practically nominal charge was made for the return of the empties, and under the present tariffs, shippers are obliged to pay for the return of the empty vessels in which the products were shipped to market. While this investigation was valuable in exposing the conditions which prevailed in Canada with respect to these express companies, no substantial reduction has been made in the tariffs as compared with previous tariffs, and it is alleged that the charges are still excessive, and that the inquiry did not result in affording relief to the consumers of Canada, who are materially interested in the transportation of Canadian products. I think I shall be borne out in this statement by what I shall bring to the attention of the House before I conclude my remarks. I know that the express companies made certain claims in respect to the matter; indeed, there has been placed before me a statement setting forth what they conceive to be the burdens placed upon them as a result of that investigation. In justice to them, I will read their claims, which are as follows:

The order of the Board of Railway Commissioners in the express inquiry in 1910 resulted in:

1. A considerable reduction in express rates in various parts of the country.

2. Under a new form of receipt, approved by the commission, the express companies' liability for loss and damage was greatly amplified as compared with the receipt formerly used, which has resulted in an increase of over 50 per cent in the expense to the express companies for loss and damage claims, and a corresponding benefit to the public.

3. Whereas formerly the express companies performed in the principal cities a free collection and delivery service by wagon only within a narrow district (usually the business centre), under the new order this service was extended to the municipal boundaries of the cities, resulting in an increased expense for additional horses, wagons and employees of from 25 to 100 per cent.

4. On through shipments the lines of the first carrier where a through rate made up of the combination of the separate locals was formerly used, the commission ordered a single graduate rate on shipments under 100 pounds, also a basis for through rates on packages over 100 pounds considerably lower than the former combination of separate rates. This has very materially curtailed the revenues of the express companies, though to what extent cannot definitely be determined.

5. The commission, working with the express companies, caused to be prepared a new classification of express freight, with the object of removing all inconsistencies and discriminations, also with the object of reducing revenues and increasing the liabilities of the express companies. The effect of this was widespread, and it has been impossible to determine how seriously the revenue has been affected.

I present this as a statement of the contentions of the express companies with regard to the investigation. Answering these claims specifically, I may say that while there was a change in the form of receipt, the results have not been as they claim. The same difficulties still exist with respect to claims for damages, and, indeed, there was a special order of the board with respect to shipments which had to be transferred from one company to another, or from a Canadian company to an American company when the shipment reached the border. In that regard, the first company receiving the article for transportation merely became the agent of the shipper, and no relief could be or would be afforded on the part of the original company receiving the article for transportation. In many instances, even in Canada, this placed the shipper at a very great disadvantage, so much so that I am informed by shippers it is practically impossible to recover with respect to these. With regard to shipments that are made to the United States, it is absolutely impossible to secure redress. I could read letter after letter, which I have received from business men throughout Canada, setting forth the difficulties in that regard.

Mr. BLAIN: If the House should pass the resolution that my hon. friend is moving, would it give to the Board of Railway Commissioners any power of investigation that it does not now possess?

Mr. EMMERSON: The resolution certainly gives no power. They have all the powers inherent to it.

Mr. BLAIN: In other words then, whether this passes or not, it does not add to the powers of the board for investigation purposes?

Mr. EMMERSON: None whatever.

Mr. BLAIN: What is its value then?

Mr. EMMERSON: It calls attention to the necessity of a further investigation. It is claimed on behalf of the business men of Canada that the first investigation, which was concluded in 1910, was not as complete or as exhaustive as it should have been. It is complained that the matter was not gone into by the full board.

Mr. COCHRANE: The full board gave a judgment.

Mr. EMMERSON: That is quite true. The judgment was given by the commissioner on behalf of the full board. I am not making complaint as to that, but the business men of Canada claim that the whole of the evidence and all the facts should be heard by the full board if it is possible to do so. The commissioners acting under the chief commissioner did not have the opportunity of listening to the evidence, of having all the facts presented to them. They simply took for granted—I have no complaint to make as to that course—that all was well, and they allowed the chief commissioner to deliver the judgment. I do not think complaint is made with respect to the character of that judgment, which, as I have said, was practically a treatise on the express companies of Canada, but they do complain that the facts were not as comprehensive as they might have been, that the commissioners did not follow the course pursued by the Interstate Commerce Commission in the United States, and that they did not delve down under the whole business of express companies. Even in so far as they did investigate, and drew any conclusion, it is complained that they did not then act decisively except in regard to one or two features. That is the general complaint of the business world of Canada. In the East and in the West, they are calling for a second investigation, a more thorough one in which all the evidence, as presented, will be heard by the full board, so that every member of it will have the opportunity of exercising his judgment in reaching a conclusion as to the remedy which should be applied. For instance, with respect to this very matter of the liability of the companies, the companies explain that they are subject to greater burdens by reason of liabilities in cases of loss. The shippers say that it is not so, that the same difficulties exist, that you cannot recover when you have claims for loss, and that the difficulties that were shown to exist by the investigation in the United States exist in Canada, though perhaps not to the same extent, and the remedy has not been applied. I have here a statement by one of the big business firms of Canada, in connection with the clause in the express merchandise receipt, which was referred to in the memoranda of the express companies which I have read. It reads as follows:

> If the shipment is delivered to an express company or carrier not subject to the Railway Act, the company shall act as agent of the shipper in effecting such delivery, and contracting for further transportation and the liability of the company shall thereupon cease.

That arose in a particular case. And the answer was:

> If you have suffered loss, you doubtless have an action in the United States against the United States company; but as a United States company is not subject to the board, the board has approved of the clause as above quoted.

That was a case where there was no possible remedy. These cases frequently come before the courts. There was one from Toronto very recently, I think not later than the month of January, in which such a difficulty occurred. I shall not take the trouble to refer to all these isolated cases; I shall content myself in dealing with the matter in a general way. The shippers complain that the companies do not treat them fairly in the matter of those claims. They say that they are arbitrary and autocratic, and that when you apply to them in a case of loss, they simply will not give that consideration which the shipping world thinks is due it. 'All this happened,' they say. 'but what are you going to do about it?' And because they are very arbitrary, it is almost impossible to secure a claim from them particularly in the case of shipments to the United States.

Now, in the United States, they did have an inquiry which brought to light so many facts that the Interstate Commerce Commission was constrained to pass a very drastic ordinance, with the result that there has been a very substantial change with regard to the business of express companies. I think it was Wannamaker who gave utterance to that immortal epigram, that there were five objections to the parcel post system. But the epigram, like a good many others, was not true; as a matter of fact, there were twenty-two objections in the form of express companies. The express companies in the United States were not confined to the number of five, but there were twenty-two of them and these constitute the objections to the parcel post system in that country. One wag suggested that they had better have twenty-three and then they should wipe them out altogether and go forward with a clean slate—I suppose suggesting the skidoo idea. It was shown in the United States that there was practically an express trust and it was shown to be the finest example of organized and legalized pillage ever consummated and that no

one individual seemed to be blamed for it. It was simply another example of the eternal truth that power unrestrained tends to tyranny. The result of that trust in the United States was that these twenty-two companies divided up the territory between them, operated it in their own interest. The other companies did not interfere with the one that was assigned to a certain territory with the result that the charges were exorbitant, the whole business came to be a scandal and the business interests of the country suffered.

We all realize that the express companies in Canada are placed upon a somewhat different basis from those in the United States. In both countries, it is true that the express companies had their origin at the time of the inception of the railways on this continent, first in the United States and then in Canada. They simply grew up as a sop to the stage coach proprietors who were put out of business at the time of the advent of the railways. They have grown to great proportions without practically any capital. I think I might very profitably read to the House the words of Judge Mabee in his general judgment, first, as to the capitalization, the stock, the finances, of the express companies. He says:

> The position of nearly all the express companies doing business in Canada, at any rate the position of the Dominion and the Canadian express companies, is different from most, if not all, of the express companies doing business in the United States. To what extent the capital stock of the various express companies there is held by railway companies, we have no exact information, although as to some it is known that certain railway companies own or control large holdings. In Canada all the capital stock of each of the above companies is held by the parent railway company. For instance, every share of the capital stock of the Dominion Express Company is held in trust for the Canadian Pacific Railway Company, that railway company being the actual and beneficial owner of all assets, franchise, and earning power of the Dominion Express Company. Exactly the same position obtains as to the Canadian Express Company. The Canadian Northern Express Company stands in a somewhat different position as it does not appear that the stock is expressly held in trust for the Canadian Northern Railway Company. A letter from the company contains the following statement upon this matter:—
>
> 'The capital stock of the company authorized is $1,000,000; issued, $300,000. Of this $5,000 was paid in cash and $295,000 was issued as paid-up stock to the vendors of the express business, and the rights, franchises, good-will, properties, &c., connected therewith, carried on in connection with the Northern Pacific and Manitoba and allied railway companies, and for the good-will, properties, &c., used in connection with the express business then done for the Canadian Northern Railway Company and allied roads.'
>
> 'Hon. Mr. MABEE: Who were the vendors?
>
> 'Mr. BUELL: William Mackenzie, D. D. Mann, Z. A. Lash, R. J. Mackenzie, the estate of A. W. Mackenzie, and Mackenzie, Mann Company, Limited.' It goes on to say:
>
> 'From the foregoing it will be seen that practically all the capital stock is held by Mackenzie, Mann & Company, Limited; the balance of five shares being simply qualifying directors shares. None of the stock is held by or in trust in any way for the Canadian Northern Railway Company, but as will easily be seen the express company is controlled by the same interests as control the railway company, the shareholders being practically identical.'

In endeavouring to arrive at what are fair and reasonable tolls for express companies to charge the public, it may not make much difference whether the stock is owned by private individuals, or by the railway companies; for, after all, no matter who may be the owner or owners, they are entitled to have the business conducted upon a footing that will yield fair returns; and the fact that these express companies are owned by the railway companies affords no reason for approaching the consideration of what are fair tolls in any different way than that the matter should be approached if the stock were in other hands; but it has necessitated a much more careful inquiry into and consideration of the relations between the railway companies and the express companies. For instance, a contract covering carriage and other matters between a railway company and the express company owned by it, entails much more careful consideration and inquiry into all the surrounding facts than would a contract made between an express company, which was an entirely independent organization from the railway company, and the railway company, the dealing between the two being at arm's length. Again, where all the earnings of the express company go to the railway company there is an entire absence of competition as to the class of traffic as between the two corporations, and to some extent at least, and of course with certain limitations, it is in the interest of the railway company to have the traffic moved in express, and not in freight cars, as the earnings would thereby be increased; while in the case of an express company operating upon a line of railway, the company owning the latter having no financial interest in the former, it would probably be in the interest of the railway to move traffic in its freight cars; at any rate there would be some competition regarding traffic that might move either by freight or express. Again, where the express company is owned by the railway company, it is not unfair to assume that the managements of each are in such close touch with each other that tariffs are built that will work to the best advantage of the railway company. We are not suggesting that the inquiry has developed any abuses arising from these relations, but mention these matters as illustrative of the amount of detail this investigation has cast upon the board and its officers.

The board inquired into a great many matters to learn as to whether the company tariffs which had been submitted were fair and reasonable and they took into consideration the question of the cost of carriage,

the cost of operating an express company apart from the railway company and, at the same time they dealt with the financial aspect, that is to say, the amount of capital invested. We will take the case of the Dominion Express Company as a first illustration.

Dominion Express Company.—The Dominion Express Company was incorporated in 1882. The capital stock was fixed at $1,000,000, divided into ten thousand shares of $100 each; a provision was made that upon a vote of its shareholders of a majority, at a special meeting, it might be increased to $2,000,000.

At the time the company began business capital stock was subscribed to the amount of $1,000,000 upon which ten per cent was called.

The first shareholders were:

	shares.
Andrew Robertson, Esq., Montreal.	7,350
P. Mitchell, Esq.	100
John Cassils, Esq.	100
A. B. Chaffee. Esq.	100
Hon. J. R. Thibaudeau.	100
W. M. Macpherson, Esq.	100
G. A. Kirkpatrick, Esq.	2,150
	10,000

Between the date of inspection and 1904, the above ten thousand shares were assigned to the gentlemen hereinafter named, and in June, 1904, it was decided to increase the capital stock to the full amount allowed by the company's incorporation viz, $2,000,000, which was authorized by the stockholders at a special meeting, and the increase was divided among existing shareholders pro rata, who were at that date:

	shares.
Sir W. C. VanHorne.	14,700
Sir T. G. Shaughnessy.	4,500
R. B. Angus, Esq.	200
W. S. Stout, Esq.	200
C. F. Smith, Esq.	200
C. R. Hosmer, Esq.	200
	20,000

On June 26, 1882, $24,500 was paid to the treasury in Montreal by the subscribers, and on the same date an entry credited in the cash book entitled, 'Land Grant Bonds' $75,500. These two items appear to represent ten per cent or $100,000 on the capital stock of $1,000,000.

In other words, the Dominion Express Company is operating in Canada upon a nominal capitalization of $2,000,000, shares have been issued to that extent and yet only ten per cent on the first $1,000,000 has been paid, namely, $100,000, and so far as any returns that have been placed before the Railway Commissioners or before the Statistical Branch of the Department of Railways and Canals show, that is the only cash that is invested in the Dominion Express Company, and yet that company is paying a dividend, as will be seen later, on a capitalization of $2,000,000.

On or about the same date, the item of $75,500 for Land Grant Bonds appears as a disbursement, viz: 'paid out'; since that date there appears to have been no other payments made by shareholders in respect to their stock holdings; but from time to time, viz: from October, 1882 to October, 1884 the sum of $9,437.50 was credited in the cash book as 'interest received on land grant bonds' after which date there are no further entries in this respect. There are also entries appearing to the credit of cash for 'interest on deposit' from October 1884 to April, 1892, amounting to $7,448.46, these two amounts making $16,885. This amount was incorrectly applied as being entirely to land grant bonds.

Property and real estate.

The total amount of property and real estate standing on the books of the company from its inception to the end of 1908, is $592,239, consisting of:—

Property (viz., general equipment.	$407,038
Real estate.	185,201

The real estate consists principally of stables situated in the principal cities, the exceptions being:—

Fish wharf at Vancouver, valued at cost.	$27,523
Office building at Quebec.	27,134
Offices and depot at Toronto.	21,602

All real estate stands at the original cost; but the company estimates that the value to-day is considerably enhanced.

The company has filed two statements, one showing the gross revenue and expenditure, the other excluding certain revenues which they claim should be exempt from the Board jurisdiction, viz. the revenue derived from their fish business at Vancouver; also from their money order business.

The investigation of the books shows that the total gross revenue from all sources for the period of eight years, 1901-1908, amounted to $21,473,694, increasing from $1,529,195 in 1901 to $3,743,580 in 1908.

I shall not deal further with the features connected with that company, as that would involve too much detail. The Canadian Express Company is similarly situated. The Chairman says of it:

This company was incorporated in 1865 with a nominal capital of $500,000; subscribed capital of $275,200 of which $27,520 was paid in. The Grand Trunk Company purchased all the capital stock of the company in 1892 for $660,000.

On the 1st January, 1892, a complete valuation of the stock and property was made, and it was fixed at $60,000. Yearly additions have been made; the company's estimate of its value at the end of 1908, is $202,719, viz.:—

Property.	$143,668
Real estate.	69,050

The shareholders and their holdings are as follows:—

Sir C. Rivers Wilson, A. W. Smithers, Esq.	$1,465,000
C. M. Hays, Esq.	1,505,000
F. W. Morse, Esq.	5,000
W. Wainwright, Esq.	5,000
E. H. Fitzhugh, Esq.	5,000
Hugh Patton, Esq.	5,000
C. Percy, Esq.	5,000
Frank Scott, Esq.	5,000
	$3,000,000

It is not shown anywhere that a dollar was paid into that stock excepting the original $272,000 and yet the capitalization is represented as $3,000,000 and dividends are paid on that amount.

The company, like the Dominion Express Company, filed two statements, one excluding and the other including certain business which they claimed should not be considered as pertaining to express business.

The items which they exclude are:—

Money order business (net receipts for 7 years)	$223,692
Ocean earnings (net receipts for 7 years)	31,725
Customs Commissions (net receipts for 7 years)	9,974
Sundry Commissions (net receipts for 7 years)	4,969
	$270,360
The total gross revenue for the period of seven years (1902 to 1908) from all sources amounted to	$13,362,266
Less transportation paid and due other companies	1,706,295
	$11,655,971

Increasing from $1,314,400 in 1902 to $1,909,-024 in 1908, showing an average of $1,665,024 per annum.

These are simply statements filed by the express companies during the inquiry with the department. It is interesting, however, to note the results that have been secured by these companies during the last two years without regard to the previous years. There has not been a full investigation of the business of any of these companies since their inception. In 1911, by an amendment to the Railway Act, the express companies were required to file an annual statement with the Department of Railways and Canals showing all the facts with respect to their capitalization and their operation. A similar statement was filed in 1912, and we have the returns for those two years only. The returns for 1912 were placed on the table of this House within the last week; and I have not had the opportunity of analyzing it; but I cull from the report of 1911 the following: The gross receipts from the operation of the Canadian companies enumerated were $8,810,315.22; they paid out for express privileges $4,022,907.96, that is to say they paid that amount to the railway companies for the carriage of goods which were entrusted to them; their total operating revenues for transportation were therefore $4,787,407.56; add to that the revenue from outside operations, $3,506.60, and you have the total gross operating revenues of these three Canadian companies in 1911 of $4,790,914.16. Less operating expenses, that is the expenses of the carrying on of their business, it left to these three companies net operating revenues of $1,118,404.19. Out of that, they paid taxes of $14,416.17, so that their net earnings were $1,103,988.02. That is, the earnings of these companies, whose total capitalization outstanding was $4,005,-200, were $1,103,988.02, or a little over twenty-seven and one half per cent. Their capitalization is in a sense fictitious; I do not use the word with any fraudulent meaning; but it is fictitious for this reason, that in every instance these companies have issued paid-up stock without a dollar being paid into the company beyond the amounts which I have named. The net corporate income of these three companies, as per their own statement, was: The Canadian Express Company, $261,645.06; The Canadian Northern Express Company, $141,654; The Dominion Express Company, $674,237.82, or a total of $1,077,536.88, less dividend. This is the amazing feature of it: The Canadian Express Company paid dividends of $21,624.32; the Dominion Express Company paid a dividend of $460,-000; in all $481,624.32, leaving as a surplus after payment of these dividends, $595,-912.56, as a result of the operations of these three companies in the year 1911, according to their own statement. The dividend paid by the Dominion Express Company of $460,000 was divided as follows: they paid to their shareholders $240,000; they placed in reserve $160,000, and they put aside for property renewal $60,000. After payment of these dividends, these companies have a surplus of nearly $600,000. What became of that? In what way is that sum utilized? The shareholders have received their dividends; the amounts are not charged up anywhere; in the statements filed in the Department of Railways and Canals they show that they have or had that on hand for some purpose. Is it for the purpose of constructing buildings? In what way is it applied? No answer has been given in any of the statements. The statement of 1911 was followed by another in 1912; and they have not shown even in the latter statement what disposition was made of that surplus for 1911. That sum is presumably in the treasury of these companies. The question might be asked: will there be a stock bonus? These companies have not been authorized, I presume, to increase their capitalization; but are they preparing the way for a stock bonus in connection with these respective companies? It is not a question merely of the amount of dividends which they pay of six or eight per cent; the question is as to their earnings and the surplus which they have after deducting their total expenditure from their total receipts. If you take the report of the hon. Minister of Railways and Canals for 1912, you will find the following on pages 12 and 13, with respect to the revenue and operating expenses of these three Canadian companies:

It was explained in connection with the report of last year that it had been found impracticable to make an accurate separation of the business done by American express companies operating in Canada from their aggregate business. The situation in that regard remains unchanged, and there is little hope of a better adjustment than was made for the purposes of the report of 1911. That adjustment was based upon an arbitrary assignment of revenue and operating expenses in accordance with the proportion which the operating mileage in Canada bore to the total operating mileage in both Canada and the United States.

The gross receipts from operation in 1912 were $10,994,418.10. They were $9,913,018.31 in 1911.

A deduction of $4,892,242.49 for express privileges—that is, the amount paid by express companies to railway, steamboat and stage lines for the carrying of express matter—left $6,102,175.61 as the operating revenue for the year.

Operating expenses—a thing quite apart from express privileges—had a total of $4,880,120. This left a net operating revenue of $1,222,055.61, to which was added a net revenue of $28,440.91 from outside operations, bring the total up to $1,250,496.52. A deduction of $87,488.58 for taxes left the net revenue for 1912 at $1,163,007.94.

It will be observed that during 1912 these companies make a return showing that they paid taxes of $87,488.58, whereas for the year 1911, they show taxes paid by them of only about $14,000. Wherein was the great increase in the taxes as between those two years? Is it a matter of bookkeeping? I simply call the attention of the House to this remarkable discrepancy in the taxes paid in 1912 as compared with 1911.

So far as Canadian companies were concerned the actual net revenue, after deducting taxes, was as follows:—

Canadian Express Company ..	$283,281.33
Dominion Express Company ..	645,288.94
Canadian Northern Express Company	192,496.25

Measuring this net revenue against capital liability, following was the result of the Canadian companies in 1912:

	Capital liability.	Per cent of net revenue.
Canadian Express ..	$1,705,200	16:6
Dominion Express ..	2,040,000	31:6
Canadian Northern Express...	1,000,000	19:2

The average for the three companies was 23:4.

The following balance sheet gives a concise summary of the financial results for the year:—

Gross receipts from operation ..	$10,994,418 10
Less express privileges..	4,892,242 49
Operating revenue..	$ 6,102,175 61
Operating expenses..	4,880,120 00
Net operating revenue	$ 1,222,055 61
Net revenue from outside operations..	28,440 91
Total net revenue..	$ 1,250,496 52
Less taxes	87,488 58
Balance for the year..	$ 1,163,007 94

The Canadian Express Company charged $48,965.27 to additions and betterments, while the Dominion Express Company deducted $160,000 for dividends, $160,000 for reserves and $80,000 for property renewal. In striking a net balance for the year, however, the true balance is the amount given above—$1,163,007.94. Dividends, appropriations for betterments, reserves, &c., merely explain what disposition was made of the balance. In other words, such items are strictly matters of domestic book-keeping. They do not in any way reduce the profits from operation.

The following is a statement of operating revenues for the year ended June 30, 1912:—

Revenue from transportation:—		
Express revenue..		$10,575,699 00
Miscellaneous..		41,675 90
Total..		$10,617,375 80
Other than transportation:—		
Money orders—domestic..	$201,234 88	
Money orders—foreign..	18,056 02	
Travellers' cheques—domestic..	2,806 60	
Travellers' cheques—foreign..	2,714 92	
C. O. D. cheques	83,791 24	
Other earnings..	68,138 64	
		$377,042 30
Gross revenue..		$10,994,418 10

A comparison of revenue from other sources than transportation, in 1911 and 1912, would point to growth in such items. Following are the facts:—

	1911.	1912.
Money orders—domestic.	$181,395 28	$201,534 88
Money orders—foreign ..	16,985 06	18,056 02
Travellers' cheques—domestic	2,895 74	2,806 60
Travellers' cheques—foreign..	1,186 21	2,714 92
C.O.D. cheques	39,701 71	83,791 24
Other earnings..	26,149 59	68,138 64
Total..	$268,313 59	$377,042 30

I have presented these figures to the House for the purpose of showing not only the enormous profits, but the growth of the business of these companies. It is expanding year by year, and yet there is no additional capitalization, and, on a capital of a little over $4,000,000, the people of the country are obliged to pay dividends, or contribute to the coffers of the company in order that dividends shall be paid on that capitalization, whereas in reality there is no such money actually invested. The amounts earned by these companies for transportation are, of course, by far the largest items, but in addition to that, they are, as I have said, practically doing a

banking business, and the earnings in that regard are very great indeed when one inquires into the results. I shall not go into the details of what those earnings have been in the last two years. It is not relevant to the discussion of this resolution, and I have dealt with it simply for the purpose of showing the immense profit incidental to this business, and pointing out to the House the growth and expansion of the business. The investigation concluded in 1910 might be accepted as a thorough investigation up to that period, yet, because of the conditions which exist to-day as compared with even three years ago, it is in the interests of the country, in view of the attitude of the people towards these companies, that the Railway Board should make a thorough investigation, and that the matter should be thoroughly inquired into, with the view, if possible to have such tariffs submitted and approved as will lessen the excessive charges made on merchandise and products transported by these companies from one end of the country to the other.

Perhaps it would not be amiss if one were to call attention to isolated cases of charges made by the express companies; while it would not, perhaps, prove anything, it would yet be interesting to take into consideration the extent of the charges made. I know of one case where a cane was sent from this city to a small town in Western Canada. The article itself was worth 75 cents, and the charges for transportation amounted to 45 cents. I know also of a case where some debenture bonds were transmitted from St. John to Moncton, N.B., and the charges on these debentures, weighing only a few pounds, amounted to $8.75.

Mr. STANFIELD: Did they insure them at that rate?

Mr. EMMERSON: No doubt the face value of the bonds was taken into consideration under the liability clause, but even so, in view of the fact that the distance was only 90 miles, I consider that to be a very excessive charge. I have not taken any trouble to hunt up these cases, but another which came to my attention was that of a three-pound parcel shipped from Toronto to point in New Brunswick, the charge for which was 45 cents, a twelve-pound parcel shipped from St. John to a point 100 miles distant, the charge upon which was 45 cents; a three-pound parcel shipped 100 miles out of St. John at a cost of 30 cents. These isolated cases are, it seems to me, instances of the very excessive rates, especially when compared with the parcel post system recently inaugurated in the United States. I have secured a copy of the parcel post rates as effected under that system. The country is divided into zones. There is the first zone, 50 to 150 miles; the second zone, 150 to 300 miles; another zone 300 to 600 miles, one from 600 to 1,000 miles, then there is the seventh zone of 1,400 miles and the eighth zone of over 1,800 miles. For one pound on the locals the rate is five cents; in the fourth zone it is six cents, then seven cents, eight cents, nine cents, ten, eleven and twelve cents. But on the first zone, on one pound the rate is five cents; on two pound, eight cents; on three pounds, eleven cents; on four pounds, fourteen cents; on five pounds, seventeen cents; on six pounds, twenty cents; on seven pounds, twenty-three cents; on eight pounds, twenty-six cents; on nine pounds, twenty-nine cents; on ten pounds, thirty-two cents, on eleven pounds, thirty-five cents. That is for 150 miles. The charges under the parcels post system in the United States are certainly very reasonable, and when you make a comparison they show that the express companies in Canada and the United States must profit enormously for the transmission of articles of small weight. Very frequently the express charges are much in excess of the actual value of the articles themselves.

I would have been very glad if I could have presented this case more briefly and dealt with the subject more comprehensively, but the lateness of the hour, and the conditions and circumstances under which these facts are presented to the House, make it impossible for one to satisfactorily deal with the question. It is certainly one of supreme importance to the people of Canada. When it is realized, and I did not realize it until I figured it out, that our transportation tax in Canada by express is over $1.25 per head of the population, the extent of the operations of express companies begins to dawn upon one. I have simply dealt with the Canadian express companies, but you must remember that we have in addition, I think, five American express companies operating in Canada, the Wells-Fargo Company, the American Company, the United States Express Company, the National Express Company, and I think some others. I think that one practically does all the business with the Yukon through American territory. The facts are only measureably before this House. They are only measureably before the Department of the Minister of Railways and Canals. They are only measureably before the Railway Commission. There has not been a full expose of the conditions surrounding the express companies and their operations, and I venture to submit that we have not a complete and satisfactory showing with respect to any one of those express companies. As to the United States companies, we have none whatever. The responsibility is upon this

Parliament of having the matter dealt with now. I remember very well the conditions which prevailed in 1906. I know that those companies had their arrangements with the different railway companies, where the companies are not owned by the railways themselves. When I assumed the responsibilities of the Department of Railways and Canals, the Intercolonial railway was operating its express business under a contract with the Canadian Express Company. That contract expired in 1905, during my regime as Minister of Railways and Canals. It had been in existence for a number of years, and the railway received from the Canadian Express Company forty per cent of the gross earnings on express business. The matter was under consideration in 1905 with a view to the Intercolonial railway operating its own express traffic. I was strongly in favour of it. There are two sides to the question, as there are sides to every question, but it was finally determined that the contract should be renewed upon the terms that we should receive fifty per cent of the gross earnings. I do not know whether the contract then renewed has expired.

Mr. COCHRANE : It was renewed in 1911.

Mr. EMMERSON : At any rate, from 1905 to the present time, I believe that the railway got fifty per cent of the gross earnings from the express business over its line. I felt then and am still of opinion that the Intercolonial railway would be in a very much better position financially if it operated its own express business apart from any of the Canadian express companies. The additional cost would be very little. Of course there are some features to be considered with respect to delivery stations at different points, but my well-founded belief is that the gross earnings of the railway would be increased very materially if it were to undertake its own express business. However, that is neither here not there. Recently an arrangement was entered into with the Dominion Express Company with respect to the carriage of express goods on the trains of the Intercolonial railway. I am not familiar with the conditions and I am not in a position to express any judgment with respect to it. It occurred to me, however, that in so far as the northern section of the Intercolonial railway is concerned, the railway might be put to greater expense in making provision for two companies than is the case where only one company is operating, while practically there would be no increase in the express business in that particular section. That is to say, the amount of business would be divided between the two companies, but the total volume of business would not be very materially increased. That is my judgment. I presume that the Minister of Railways has looked into the matter and knows the conditions and circumstances. Therefore I do not venture to offer any criticism, nor to express any judgment as to the results that may be anticipated. The time has come for this Parliament to act, to give directions to the Board of Railway Commissioners for an additional inquiry into the conditions as they exist to-day. I make no complaint as to the course that has been pursued by that commission. I believe that the matter was dealt with thoroughly and exhaustively; certainly as a beginning it was a good beginning; but we have, in the statement of Judge Mabee and in the statement of his predecessor Judge Killam, evidence that they did not consider that the investigation went as far as they would like it to go, nor did they think that the conclusions which they drew were complete or entirely satisfactory. I would suggest and urge that the commission be instructed by this resolution, backed up by the influence of the Minister of Railways and Canals, to hold a further investigation in order that some remedy should be given to the consuming and producing classes. This is a vital question; it is a matter that affects not only the producer but the consumer as well. The closer together you can bring the producing and consuming classes and the easier you can make the access between the point of production and the point of consumption, the better it is in the interest of all and I think we can very well do it without any great detriment to the business or financial interests of the express companies or railways in Canada.

Mr. Speaker, I want to apologize to the House for the time that I have necessarily spent in presenting this matter. It has been no pleasure for me to do so, but in the discharge of the duty that I owe to myself and to the country, I have put these facts before the House as briefly as I could.

Mr. J. E. ARMSTRONG (East Lambton): Mr. Speaker, we have just had the pleasure of listening for some hours to the complaints of the hon. member for Westmorland (Mr. Emmerson) with reference to the express companies. Those of us who have been members of this House for the last eight or ten years cannot help wondering what these gentlemen were doing when they were in power, and especially what my hon. friend was doing when he was Minister of Railways in regard to these questions, because they are constantly bringing them up and advocating new ideas in regard to them. I remember distinctly, year after year, calling the attention of the hon. gentleman who has just taken his seat, to

the fact that the express companies were extorting from the people extravagant rates, and I received very little satisfaction from that hon. gentleman. If the hon. gentleman had done as we suggested in 1904, when we urged upon him the necessity of making the National Transcontinental railway and the Grand Trunk Pacific a national road, as we were compelled to pay nine-tenths of the cost of the building of the road, we would have owned, controlled and operated a national express company. We would then have been able to control the rates and have been in a position to look after the interests of the people. If there is one thing more than another that I feel impelled to do, it is to advocate, and strongly advocate, the taking over of the business of the express companies on the Intercolonial railway and the lines connected therewith. I would strongly urge upon my hon. friend the Minister of Railways and Canals the need of investigating this matter, and I feel confident the people will support him in taking over and nationalizing the express business on that line of railway. Not only do I believe that but I would even go farther. In the face of all that has been said and done in this House, year after year, in face of the exorbitant rates which it has been shown the express companies have been exacting from the people, it is up to us to take the position that, as the Canadian owned express companies have been shown by the Deputy Minister of Railways and Canals to have cost but $4,700,000, including even the watered stock which has been divided up among the shareholders, we should take over the express business of the country and nationalize it. You may perhaps say that that is going a step too far, but I do not believe it is. I believe that the people will stand at our back if we say that we will own, control and operate the express companies as a national institution. These companies, as has been shown by the ex-Minister of Railways, have taken out of the pockets of the people over twenty-three per cent, not on their capital invested, but on the capital which they claim has been put into the business. In addition to the amount of money that they have placed at their disposal for betterments, they have taken out of the pockets of the people over twenty-three per cent during the past year. If we only refer this matter to the Railway Commission we will not be likely to obtain any very great remedy therefrom, nor would the people be able to receive any great degree of benefit. It was my privilege to have gone before that commission with reference to the very matter which the ex-Minister of Railways has placed before Parliament to-night. That was the matter of the carriage of cream and farm products from the farms to the cities, and the distribution of these products to the people in the cities. It was my privilege to spend considerable time before that commission, and while I cannot take up the time of the House to-night to explain in detail how the hearing was carried on, I will merely state, as giving a fair idea of what you may expect when you do go before the Railway Commission, that the express companies were represented by a splendid array of legal talent ready to refute the arguments which were placed before the commission. I am confident that the only way out of this whole difficulty is for the Government to take over, own, control and operate the express companies as a national institution. What would be the position if such a change were brought about? Every post office in the towns, smaller cities and villages would be an express office, and in the large cities we would have the larger express offices such as we have to-day. I do not think that the parcel post system will interfere with the express business to any great extent notwithstanding the fact that we are increasing the size of the parcels considerably. Let me quote just a figure or two to show the position of the express companies in the United States to-day. The express charges are $31.20 per ton of packages, while the freight charges amount to only $1.90 per ton. The express charges are sixteen times the freight charges, while in other countries they are only five times those upon freight. It is too late an hour to go into the question in detail, but I maintain this is a matter that our Government should deal with. As far as our present Minister of Railways and Canals is concerned, we have every reason to compliment him upon the splendid work he has been doing since he took charge of that department. Only a year ago we were hearing from the Opposition benches man after man asking the minister, although he had been in office only a few months, to carry the grain from the West to the markets of the world in a prompt and efficient manner. What have you found him doing in the past year? Devoting his whole time and energies, largely, to assisting in the development of railway facilities in the West so that grain may be carried out as it has been, and I am glad to say that not once this session have I heard a single complaint with reference to the transportation of grain from the Great West; so that we have only reason to compliment ourselves and congratulate the Minister of Railways on the efficient manner in which he has conducted the affairs of the department, and I am sure that in the matter of express companies he will do his part towards bringing about some satisfactory solution.

Mr. COCHRANE: I regret, like the mover of this resolution, that the investigation which took place from 1906 to 1910 had not better results. I agree also that some facts were established there which certainly were in the interests of the country; but as to the reduction of rates there was no result. They spent a great deal of money, they met a great number of people. From a memorandum which I hold I find that they took evidence on this subject from the Canadian Manufacturers' Association, the Montreal Board of Trade, the Toronto Board of Trade, the Niagara Peninsula Fruit Growers' Association, The St. John, N. B., Board of Trade, the Sackville Board of Trade, the Winnipeg Board of Trade, the Vancouver Board of Trade, the Victoria Board of Trade, the Winnipeg Shippers and Jobbers' Association, the Regina Board of Trade, the Calgary Board of Trade, the Dominion Board of Trade, the Associated Board of Trade of Western Canada. Thus it will be seen that they covered the whole country pretty thoroughly, but they evidently did not arrive at any conclusion which has led to a reduction of rates. The present chairman of the Dominion Railway Board, since his appointment, has been giving a great deal of attention to this subject, he has been discussing in different parts of the country and feels that he will soon be able to bring in a report.

I may say to my hon. friend from Lambton (Mr. Armstrong) that if the Intercolonial railway was not tied up with a contract I personally, speaking for myself alone, would, as the result of my study of the question so far, install an express business there of our own. I feel that we bear the big end of the stick so far as expense is concerned. We furnish the cars while they pay our agents something at each place according to the amount of business done. Yet we are at the big end of the expense, and I feel strongly, as the hon. member said, that we could make considerable money by establishing an express company of our own.

I beg to move, seconded by Mr. Hazen:

That, all the words after the word 'that' in the proposed resolution be struck out and the following be substituted therefor: 'The Minister of Railways and Canals having instructed the House that the Chairman of the Board of Railway Commissioners for Canada has had under consideration the necessity of a further reduction in express rates and charges and that the said chairman is now making an informal inquiry for that purpose, the House is of opinion that it is desirable to await the conclusion of such inquiry before passing any resolution on the subject.'

Mr. EMMERSON: Personally the amendment will meet with my approval. I have simply brought the matter to the notice of the House to impress on the Board of Railway Commissioners the necessity of action being taken, and having discharged my duty in that regard, and in view of what the minister has stated as to the intention of the board, nothing would be gained by pressing the motion to a conclusion even if that could be done. But this amendment will accomplish the object I had in view, and therefore, as one member of the House, it will meet with my approval.

Amendment agreed to, and motion as amended, agreed to.

UNOPPOSED AND UNDISCUSSED MOTIONS.

For a copy of all reports made by any engineers or accountants to the Minister of Railways and Canals on the usefulness of the Atlantic, Quebec and Western railway and the Quebec Oriental railway, to the Intercolonial railway as branch lines or feeders.—Mr. Marcil.

For a copy of all papers, correspondence, documents, grants, Orders in Council, deeds and other papers whatsoever, and of all maps, plans, charts, estimates, valuations, reports and papers, in any way relating to the water power, water rights, or property known as the Government Slide Reserve on Victoria Island at Chats Rapids or Chats Falls, Ottawa river, township of Fitzroy, county of Carleton, and to the grant thereof to one Daniel O'Connor, $1,471, or thereabouts, dated on or about the 7th day of October, 1911, and which may now be of record in the Department of Public Works or in any other department of the Government.—Mr. Macdonell.

For a copy of all complaints and charges made against John R. McDonald, Indian agent at Heatherton, Antigonish county, of the recommendations to Council and of the Order in Council made thereon, and of all letters, correspondence and documents connected in any way with his dismissal.—Mr. Chisholm (Antigonish).

For a copy of all letters, proposals, tenders, memoranda, papers and documents in the possession of the Department of Trade and Commerce, or any department of the Government, bearing date since December 1, 1912, relating to steamship service between Canada and the West Indies.—Mr. Maclean (Halifax).

For a copy of all papers, letters, telegrams, evidence given at the investigation or investigations and of reports of such investigations relating to the dismissal of Edouard D. Chiasson, sub-collector of customs at Lamèque, Gloucester county, and the appointment of his successor.—Mr. Turgeon.

For a copy of all papers, letters, telegrams, evidence given at the investigation or investigations and of reports of such investigations, relating to the dismissal of Louis De Grace, lightkeeper at Shippigan Gully, Gloucester county, and the appointment of his successor.—Mr. Turgeon.

For a copy of all letters, petitions, telegrams, recommendations and other papers and documents, in the possession of the Department of Marine and Fisheries, or any department of the Government, relating to the appoint-

ment of F. W. Kelley, M.D., as post physician at Bridgewater, N.S.—Mr. Law.

For a copy of all correspondence, letters, telegrams, memoranda, tenders, bonds and all other documents relative to the contract for the carrying of the mail between the post office and Canadian Pacific railway station at Three Rivers and vice versa, since the eleventh day of October 1911, to date.—Mr. Bureau.

For a copy of all correspondence, letters, telegrams, petitions, memoranda, reports, tenders, deposits, recommendations and all other documents of any nature whatsoever bearing on or having relation to the erection of a public building in the city of Three Rivers, P.Q., since the eleventh day of October 1911 to date.—Mr. Bureau.

For a copy of all correspondence, letters, tetlegrams, reports, recommendations and other documents bearing on or having relation to the dismissal of J. H. Leduc, as medical port officer of the Port of Three Rivers, P.Q. —Mr. Bureau.

For a copy of all charges and complaints made against Charles L. Gass, sub-collector of customs at Bayfield, Antigonish county, and of all letters, telegrams, Orders in Council and other documents of every kind relating to his dismissal and the appointment of his successor.—Mr. Chisholm (Antigonish).

For a copy of all complaints and charges made against Charles L. Gass, late postmaster at Bayfield, Antigonish county, of the evidence taken, if any, before Commissioner Duchemin, and of his report thereon and of all letters, telegrams and documents of every kind relating to his dismissal and the appointment of his successor.—Mr. Chisholm (Antigonish).

For a copy of all letters, papers and documents relating to the appointment of W. F. Slack as clerk of works in the Department of Public Works at Ottawa; a copy of the charges against the said W. F. Slack, which were investigated by Hon. F. D. Monk, and of the letters suspending and reinstating the said W. F. Slack; of the employees' memorial, dated May 11, 1912, addressed to Hon. F. D. Monk; praying for the retention in office of the said W. F. Slack; a copy of the charges investigated by Commissioner R. V. Sinclair, of the evidence taken and the reports made by the said commissioner; and also of all correspondence, requests, recommendations and Orders in Council relating to the dismissal of the said W. F. Slack.—Mr. Murphy.

For a copy of the last report of the Ottawa Improvement Commission.—Sir Wilfrid Laurier.

For a copy of all correspondence, communications, letters and telegrams between the chairman or secretary of the Provident Fund Board of the Intercolonial and Prince Edward Island railway and the Minister of Railways, relating to recommendations made by the board for the retirement of employees on the Intercolonial railway; also a copy of all letters, correspondence, reports and other documents on file with, or in the possession of the Government Railway's Managing Board, or in possession of the Department of Railways and Canals, relating to the subject of such recommendations.—Mr. Emmerson.

For a return showing the number of mail contracts cancelled in the province of Nova Scotia since October 10, 1911, the names of the contractors, the prices paid to them, the reason for the cancellation in each case, and a copy of any investigations and reports had into the causes of such cancellations, the names of the new contractors and the prices paid to them in each case.—Mr. Sinclair.

For a return showing the total area of land thrown open for pre-emption and purchased homesteads in each of the provinces of Saskatchewan and Alberta since the passing of the Dominions Lands Act of 1908; also the number of acres of such lands which have been disposed of by way of pre-emptions and purchased homesteads in each of the said provinces, the amount of principal money collected on account of such lands in each of the said provinces up to December 31, 1912, and the amount of interest collected on account of such lands in each of the said provinces to December 31, 1912.—Mr. Martin (Regina).

For a return in duplicate showing the number of mail contracts cancelled in the counties of Westmorland, Albert, Kings and Kent, province of New Brunswick, since October 9, 1911, the names of the contractors, the prices paid to them, the reason for the cancellation in each case, and a copy of any investigations and reports had into the causes of such cancellations, the names of the new contractors, and the prices paid to them in each case; and in cases where tenders were asked and received preliminary to such new contracts, a statement in duplicate showing names of the tenderers, with the offers made by each, the name of the successful tenderer, and the amount or price, for which contract was executed in each case; together with a copy in duplicate of all letters, correspondence and other communications relating to each such cancellation and the giving of any new contract.—Mr. Emmerson.

For a copy of all statements of account for salary or remuneration to commissioners, and his expenses for witness fees, and all other expenses in connection with the investigations by Commissioner Duchemin, of the folfowing persons in Antigonish county, namely: Patrick M. Decoste, deckhand SS. Scotia, Linwood; William R. Fougère, sectionman, Harbour au Boucher; Allen Kinney, sectiionman; Harbour au Boucher; Hubert Mayatte, sectionman, Tracadie; John McDonell, sectionman, Afton Station; John W. Melanson, sectionman, Afton; James Armstrong, sectionman, Meatherton; Charles Landry, sectionman, Pomquet; William S. Landry, section foreman, Pomquet; Colin McDonald, sectionman, James river; Archibald Chisholm, station agent, Heatherton; Joseph Benoit, station agent, Pomquet; Alex. R. McAdam, fishery officer, Malignant Cove; Alex. McDonald, sub-collector, Doctor's Brook; Charles L. Gass, sub-collector, Bayfield; Jeffery M. Crispo, sub-collector, Harbour au Boucher; Hugh R. McAdam, postmaster, Arisaig; Thomas J. Sears, postmaster, Lochabert; Charles L. Gass, postmaster, Bayfield; and Joseph P. Benoit, postmaster, Pomquet; also the expenses in detail of and incidental to the investigation by said Commissioner Duchemin of the charges made against John J. McDonald, postmaster, McArra's Brook; Archibald Stewart, section foreman, Harbour au Boucher; Ronald McFarlane, section foreman, William's Point; Henry Williams, sectionman, Marshy Hope;

and John W. McInnes, bridge foreman Intercolonial railway, Antigonish.—Mr. Chishholm (Antigonish).

For a copy of all letters and correspondence exchanged in reference to the dismissal of Cyprien Martin of St. Basile, county of Madawaska, N.B., between the Department of Customs and the said Mr. Martin as preventive officer.—Mr. Michaud.

For a copy of all letters, petitions, telegrams, complaints, evidence, reports, affidavits and other documents in the Department of Inland Revenue, respecting the restitution of J. N. Poirier, collector of excise at Victoriaville, county of Arthabaska, and the names of the witnesses interested, with a copy of the evidence and a statement of expenses of the said inquiry.—Mr. Brouillard.

On motion of Mr. Cochrane House adjourned at 12.25 a.m., Tuesday.

HOUSE OF COMMONS.

TUESDAY, February 18, 1913.

The SPEAKER took the Chair at Three o'clock.

PUBLIC ACCOUNTS COMMITTEE—Mr. R. C. MILLER AT BAR OF HOUSE.

On the Special Order being read:

Attendance at the Bar of the House of Mr. R. C. Miller, to be examined regarding the alleged payment by him of forty-one thousand and twenty-six dollars, while acting as president of the Diamond Light and Heating Company, Limited, of Montreal.

Mr. Miller came before the Bar.

Mr. MIDDLEBRO: I would move, seconded by Mr. Meighen, that the following question be put by the Speaker to the witness at the Bar of this House, with a request for an answer thereto:

To whom did you pay the sum of $41,026 for the purpose of securing contracts from the Government of the Dominion of Canada amounting to $117,000 or thereabouts, between the month of June, 1907, until you ceased to be president of the Diamond Light and Heating Company, Limited, in June, 1911, as alleged by you on your examination before the Select Standing Committee on Public Accounts on Friday, the 14th of February, 1913.

Motion agreed to.

Mr. Miller: Mr. Speaker, I respectfully request the privilege of being represented by counsel at the present moment.

Mr. MIDDLEBRO: I would move, seconded by Mr. Meighen, that the witness at the Bar of the House be permitted to be represented by counsel.

Motion agreed to.

Mr. George E. Kidd, K.C., came and stood beside the witness.

On the question being put by Mr. Speaker to the witness:

Mr. Kidd (Counsel) said: Mr. Speaker, and gentlemen of the House of Commons, under the advice of counsel, my client refuses to answer the question, for the reason that it would incriminate him, and I consider it an unwarranted interference with his private business.

Mr. MIDDLEBRO: I would point out that under the rules of the House this is no defense to a motion of this kind. By express enactment it is declared that anything that a witness may say to this House or to any committee of this House is privileged, and cannot be used in any manner against him in any proceeding of any nature outside of the House; and therefore his reason for refusal to answer does not, in my opinion, constitute a defense of this motion. He will not be harmed; he will be in the same position when he leaves this House as before he came here. I therefore move:

That the witness, R. C. Miller, now before the Bar of this House, having refused to answer the question put to him by this House, be forthwith taken into custody by the Sergeant-at-Arms attending this House, and that Mr. Speaker issue his warrant accordingly.

Motion agreed to.

The witness then withdrew, in custody of the Acting Sergeant-at-Arms.

THE SCOTT ANTARCTIC EXPEDITION.

THE DEAD HEROES.

Hon. RODOLPHE LEMIEUX (Rouville): Before the Orders of the Day are called, I would like to ask the attention of the House for a few minutes, that I may move its adjournment under rule 39.

Mr. SPEAKER: Mr. Lemieux moves the adjournment of the House, under clause 39, which provides that the adjournment of the House may be moved to call attention to some definite matter of special urgent necessity, and, in connection with this motion, he hands me the following statement:

I would call the attention of the Government to the advisability of providing for an expression of practical sympathy with the bereaved family of the late lamented Captain Scott and his unfortunate companions who lost their lives in the Antarctic regions.

Mr. LEMIEUX: I hope it will not be found unbecoming on my part if I take up

a few minutes of the valuable time of the House to call the attention of the Government to the sad fate of Captain Scott and his unfortunate companions. The world, the British world especially, has been stirred to its very depths by the sad news which reached civilization a few days ago that Captain Robert F. Scott and his companions had died, there afar, in the unexplored solitudes of the South. These dauntless explorers are no more, but the world to-day knows that brave men, and heroic Britishers, found a glorious grave in those unknown regions. This event has moved the heart of everyone with grief and pride—with grief because of the generous sacrifice of their lives; with pride, because their dearly-bought conquest bears tribute to the indomitable characteristics of the race, to the intrepidity, the resolution, and the capacity for endurance of the sons of Britain. The expedition of Scott, like the expedition of Franklin, was intended to be of service to humanity. I have no doubt that the records which were made and which served Scott as a pillow in his last sleep will hereafter be of scientific interest to the world. Mr. Speaker, we in Canada belong to the British Empire, and there is, I need not say, a feeling of solidarity, of fraternity, between the different component parts of that Empire. As British subjects we feel that these heroes are ours. As a Canadian of French descent, I cannot forget that the British Empire generously participated in the tercentenary of another hero and great explorer, Samuel de Champlain. Scott's last appeal is worthy of the stoic bravery of the bravest in England's long line of heroes. It reads as follows:

We are weak. Writing is difficult, but for my own sake I do not regret this journey, which has shown that Englishmen can endure hardships, help one another, and meet death with as great fortitude as ever in the past. We took risks. We knew we took them. Things have come out against us, and therefore we have no cause for complaint, but bow to the will of Providence, determined still to do our best to the last.

Mr. Speaker, the message of Scott is that of a great hero; it is an example and a lesson to humanity in this materialistic age. He is the worthy successor of Cardigan, who immortalized the valour of the English soldier at Balaclava; he is the worthy successor of Franklin, the great explorer who died under the frosty skies of the North American continent. In Captain Scott's last appeal, I find the following pathetic words:

These rough notes and our dead bodies must tell the tale, but surely a great rich country like ours will see that those who are dependent on us are properly provided for.

The British Parliament, Sir, under the inspiration of its Prime Minister, Mr. Asquith, has declared that this appeal has not fallen on deaf ears, and public subscriptions have been opened throughout the United Kingdom to help the families of Scott and his unfortunate companions. Reading the newspapers this morning, I find that the Lord Mayor of London has issued a second appeal to British sympathy. As I have stated, we belong to the British Empire, and I rise only to suggest respectfully to the right hon. the Prime Minister and the Government, that Canada, a rich and prosperous country, the oldest of the British dominions, could well afford to place in the Supplementary Estimates a sum of money which will bear tribute to the admiration of this nation for the brave explorers who have found a glorious grave in the Antartic regions, and will, at the same time, proffer some relief to those dependent on them.

Right Hon. R. L. BORDEN (Prime Minister): I am very glad indeed that the hon. member for Rouville (Mr. Lemieux) has, upon the floor of this House, expressed, in very eloquent words, that which I am sure, has been in the minds and hearts of all of us, and which certainly has been in the minds and hearts of the members of the Government. Every one of us in Canada was profoundly moved by the tidings which reached us from the other side of the world, telling a story of courage, and endurance and heroism which, perhaps, has never been surpassd in the annals of human history. Speaking for myself, I was especially stirred by the story of that man who, feeling that his presence with his companions might render it impossible for them to gain the safety which he knew he could not share, went out alone into the cold and darkness of an Antarctic winter morning to meet death by himself in order that his friends might be saved. But, Sir, a story such as that appeals especially to hon. gentlemen of this House and indeed to the people of this country, remembering the traditions of their ancestors, whether from France which first gave her pioneers to this country, or from the British Islands, who persevered through incredible trial and hardships and whose endurance, whose courage, and whose faith in those days of bygone centuries, have yet left their impress upon the character and the ideals of the Canadian people. And I am sure that the deep and heartfelt sympathy of every man and every woman in Canada has already gone out to the widows and children of those who lost their lives under those circumstances which my hon. friend has so eloquently portrayed. It has been said by the Prime Minister in the British House of Commons that the very touching appeal in the last words of Captain Scott, found by those who went to seek the dead, would

not fall upon deaf ears. It is beyond all question that the ears of the people of Canada will be found as sensitive to such an appeal as those of our kinsmen beyond the seas. The widows and children of these men have been spoken of as the wards of the British nation, but it has been already stated in this country—and I venture to repeat it here—that they ought not to be the wards of the British nation alone, but the wards of the whole Empire.

Sir WILFRID LAURIER: Mr. Speaker. the hon. member for Rouville has certainly touched a chord which will find a response in every Canadian heart, and the nation at large, for which my right hon. friend the Prime Minister has the right to speak, will endorse and appreciate the immediate response given to the request of my hon. friend. Next to a sense of horror which is naturally felt respecting the fate which has befallen these heroes in the Antarctic regions, the one feeling which rises uppermost in the breast of a British subject at the present time is a consciousness of the fact that the bosom of the Old Motherland is not barren—that, indeed, it still produces men equal to the most illustrious of the past. The gentleman who has lost his life, Captain Scott, belonged to the British navy, and it is not too much to say that in the long array of battles which have made the British navy famous all over the world, no greater example of heroism was ever produced than that which has been demonstrated in that distant and unknown land. Some few years ago, at the time of the South African war, many were the taunts and gibes of the times, for it was doubted that the British soldier would prove equal to the emergency that confronted him. But we are all glad to remember that on that occasion the British soldier came up to the mark and proved himself the equal of what his forebears had been. And then, when peace had come, when the statesman had to come in to bind the wounds, to efface the effects of that war, British statesmanship was found equal to the occasion, and the problem which it faced was solved in a manner which has struck the world with wonder by its magnanimity. So we are proud, we British subjects, to remember that in this day England is still the England of the past. But we cannot forget the young wife, now no longer a wife, who is ploughing the ocean to meet her husband, and who will know all too soon that she is now a widow. Nothing that we can do or say here can assuage the grief which must be hers for the rest of her life. But it behooves us to see that she has whatever consolation there may be in the consciousness that the heroism of her husband is duly appreciated by all people in all parts of the world who are proud to name him as fellow-subject, and the further consciousness that the request which he made for the benefit of his wife and his dependents shall be honoured in every nation of the British Empire.

Motion negatived.

TOOLETON AND HATFIELD POINT MAIL CONTRACT.

Mr. PUGSLEY: Yesterday I asked for the names of the tenderers and the name of the lowest tenderer for the Tooleton and Hatfield Point mail contract. The minister answered that tenders were invited for a proposed rural mail route in the district and that the matter was still under consideration. Of course, if the minister declined to give the answer intentionally, because the matter is still under consideration, I will have to be contented with that.

Mr. PELLETIER: Perhaps my hon. friend is right, that the answer is not clear enough. What we meant was that no contract had been entered into as yet. We propose giving the information as soon as the matter is closed, but we think it is in the public interest not to give the names of tenderers before the closing of the contract. I will give the information as soon as the contract is closed.

Mr. PUGSLEY: Might I, in the public interest, ask my hon. friend to look into this matter carefully himself? I have been informed that tenders were received a good many weeks ago and that so far the lowest tenderer has not been recognized and there is a rumour in the county that it is intended in some way to give the contract to a higher tenderer. Will my hon. friend be good enough to look into it?

Mr. PELLETIER: I will.

QUESTION OF PRIVILEGE.

Mr. CROTHERS: I rise to a question of privilege. In the Ottawa Free Press of yesterday, and I think perhaps in some other papers, appears what purports to be a digest of an address delivered by me in Montreal, Saturday evening, in which I am reported to have said:

Continuing Mr. Crothers said: I have not very much sympathy for the labour unions, but I have a very strong sympathy for the workingman.

The latter half of the sentence I did say but the former half I did not. It expresses directly the opposite of what I said, and I do not understand how it could have found its way into the papers because I spent some time in pointing out the benefits that the unions have been to the working men.

Sir WILFRID LAURIER: The reason is that it was not published in the Montreal Gazette first.

Mr. LEMIEUX: Was the reporter sober?

Mr. CROTHERS: I am the more certain, because I had what I said on that occasion in writing. After pointing out the hardships that labour endured one hundred years ago, I used these words:

These conditions have largely disappeared under the beneficial influences of trades unions, legislation, and a more enlightened public opinion.

NAVAL FORCES OF THE EMPIRE.

Mr, BORDEN moved second reading of Bill No 21, to authorize measures for increasing the effective Naval Forces of the Empire.

Mr. J. G. TURRIFF (Assiniboia): When the question of Canada taking part in the defence of the British Empire was put on the resolution of the right hon. leader of the Government, the respective chief whips of both sides of the House shut off full discussion by mutual arrangement between themselves.

Some hon. MEMBERS: Order.

Mr. TURRIFF: And threfore I was unable——

Some hon. MEMBERS: Order, order.

Mr. TURRIFF: I will put it this way, that by mutual arrangement they decided to take a vote.

Some hon. MEMBERS: Order.

Mr. SPEAKER: Order. The hon. member modified the statement in a manner which I think would be permissible.

Mr. TURRIFF: I had no intention to say one word that would even crowd the rules of the House. But, by a mutual arrangement between the two chief whips, the vote was taken before a large number of gentlemen at least on this side of the House, had been able to express their opinions on the subject. However, now on the second reading, I wish to avail myself of the privilege of saying a few words with regard to it. I feel that it is important not only to this part of the country but to every portion of Canada and, coming as I do from the prairie provinces which are very much interested in this subject, I would not like to give a silent vote on the question. For quite a long while there seemed to be somewhat of a paralysis of tongue amongst hon. gentlemen opposite who, I understand, have now recovered their power of speech. Judging by the noise that was made when the vote was taken last week they must have almost entirely recovered it and so I hope to see the debate go on as a debate like this usually goes on, because the subject is so important that it is desirable that there should be a full discussion not only from this side but from both sides of the House. I can hardly believe that our hon. friends opposite think their case is so bad that the less they say about it the better. At all events I understand that we are going to have an improvement in this respect this afternoon.

Canada is proposing to enter upon a new line of policy, she is proposing to expend a good deal of money in connection with the defence of the Empire and, in my judgment, it is very important we should start out on right lines. It was pointed out by my hon. friend from Edmonton (Mr. Oliver) when he discussed this question some weeks ago, that it did not matter which policy was adopted, that this was only the beginning that whether we gave a subscription as proposed by the leader of the Government, or whether we built a fleet of our own, the expenditure would only be the initial one. I am satisfied that if you were to consult individually the people whom I represent in this House, you would find a large number of them opposed to a navy of any kind whatever. That is a natural conclusion for people to arrive at who are from 1,500 to 2,000 miles away from an ocean, but at the same time, Canada is arriving at that place in her history, she being a rich country possessing great natural resources, when it is incumbent upon her to make some preparation to defend and protect what belongs to her. We defend our property in the city and in the country and there is no reason on earth why we should not be in a position to defend our property on the high seas. A great part of our prosperity consists in the fact that we have large overseas markets to which we ship millions and hundreds of millions of dollars worth of produce every year. What would these markets be worth if, in case of trouble, we were not able to defend our through routes, or to defend our produce on the high seas? The result of failure on our part to protect these trade routes would be to inflict upon us the loss of these markets. It all depends on what should be done in this respect.

We have before us the proposition of the right hon. Prime Minister that Canada should give a contribution of $35,000,000. The other night, when my right hon. friend the Prime Minister spoke on this subject in closing the debate on the resolution, he took credit to himself for his consistency in this matter and he pointed out that two years ago he had suggested something in the nature of what he is now proposing. If my memory serves me aright, the right hon. gentleman is in this happy position, or rather unhappy position, if you like, that it does not matter a bit what attitude he adopts, he can fortify his argument by the declaration that he had proposed the same thing two or three years previously. If my right hon. friend had

voted for the amendment of my hon. friend from Maisonneuve (Mr. Verville) he could have fortified his argument by the fact that he had himself voted for that same thing a couple of years ago. If my right hon. friend had proposed to adopt the policy suggested by my right hon. friend the leader of the Opposition (Sir Wilfrid Laurier) he could have gone back two or three years, read his own speeches and shown that he had advocated the very same thing himself. As far as I can see the only thing that the right hon. the leader of the Government has learned really well in connection with naval matters is to box the compass because he has certainly been all around it.

The proposition which the right hon. the leader of the Government puts before the House now is an altogether different proposition from that which he advocated a few years ago. The only argument by which it can be backed up in any degree whatever is that based upon the assumption that there is an emergency at the present time. I doubt very much if my right hon. friend himself thinks there is an emergency, I doubt very much if any hon. gentleman on the other side of the House thinks there is an emergency, I doubt if you could find any considerable body of men in Canada who believe that there is an emergency and I doubt if you could find anybody in the Mother Country who considers that there is an emergency. If there had been an emergency when the right hon. the leader of the Government came back from the Old Country last fall what would his duty have been? If the emergency was so insistent, so great, that it was necessary for this Parliament to vote $35,000,000, what would have been the clear duty of the leader of the Government? Surely it would have been to have called Parliament together at once and to have asked Parliament to vote $35,000,000 or any other sum which might have been considered sufficient. Had there been an emergency, or if the people of Canada thought that there was an emergency, there would never have been one word or protest on the part of anybody, either on this side of the House or in any part of Canada, against giving a good large sum except perhaps it had come from a branch or party connection of the right hon. gentleman; I refer to the Nationalist wing of the present Government. Prior to the last election they were opposed absolutely to sending ships or men or to giving any assistance whatever. Unless opposition came from that quarter there would have been no opposition from any part of Canada. But the fact remains, Mr. Speaker, that there is no emergency and that there never has been. If ever there was anything that looked like an emergency, it was three or four years ago. There were more signs of an emergency then than there are at the present time. But at that time the policy of my right hon. friend the leader of the Government was not to give a contribution, but to build a Canadian navy and he laid great stress on the necessity of a policy that would meet with the unanimous approval not only of the House but of the people of the country. I think that that is very desirable, and I am sure that now that this question of sending a conribution of $35,000,000 to the Old Country to build ships, has been discussed, and he has seen, as he must have seen, that the opinion of the people of Canada is very greatly divided on the subject, we will not consider it advisable to go on with that policy, which, apparently, has the endorsation of only one-half, or probably a good deal less than one-half of the people of the Dominion. I am sure that in view of what has taken place, and of what is taking place every day, in view of the press comments throughout the country from the Atlantic to the Pacific, my right hon. friend will find it to his advantage to come back not to our policy, but to his own policy, the policy that was originally proposed by his desk mate the present Minister of Trade and Commerce, and endorsed by my right hon. friend. He will see that it is greatly in his own interests and in the interests of the country generally that he should come back to his own policy, to his first policy, to the policy that he initiated when he was not hampered and driven by party exigencies to do anything that was not in the best interests of Canada. If my right hon. friend would do that, he would have a policy that would meet with the unanimous approval of the House, and, to a very large extent, with the approval of the country. Let me point out, Mr. Speaker, how much more it would mean to the British Empire and to the Parliament and people of Great Britain if, when we come to decide this question, if the Government were able to lay down a policy that appealed to the whole of the people of Canada and had their unanimous support. What has brought about the change in the policy of my right hon. friend? He and his followers generally were in favour of the policy of building a navy in Canada, of manning it by Canadians, and of keeping it up by Canadians. What brought about the change? The first change, Mr. Speaker, as you will remember, came during the Drummond and Arthabaska election when certain people in the province of Quebec, who were not favourable to that policy, started a campaign to undo my right hon. friend the present leader of the Opposition who was then Prime Minister of Canada. My right hon. friend the leader of the Government and his colleagues the present Minister of Trade and Commerce, joined Mr. Bourassa and his supporters in the province of Quebec for the purpose of beating the Government if possible. We had proof of that

when some one in the Province of Quebec —I forget who it was—wired to the Minister of Trade and Commerce at Toronto.

An hon. MEMBER: The Montreal Herald.

Mr. TURRIFF: I understand it was the Montreal Herald. It asked the Minister of Trade and Commerce what the people ought to do in the circumstances. What was the reply? 'Anything at all to beat Laurier.' That, Mr. Speaker, accounts for the right-about-face of my right hon. friend the present leader of the Government. He made an alliance with those Nationalists who won their elections, practically every one of them, on the ground that not one man, not one dollar, not one ship should be given to help Great Britain in time of need. That is what they won their elections on, and my right hon. friend made an alliance with them in order to get into power. From that day to this, they have been hanging like a millstone about his neck, and they are going to sink him in the end. It is to those men, who, as I say, won their elections on the policy I have described, and who could not breathe the air of freedom under the British flag, until it was riddled with bullet holes, that he has allied himself, the men who put him in power and who are keeping him in power; and that accounts for the right-about-face of my right hon. friend and for the fact that he now says we cannot have a navy of our own, we cannot build a navy, and we cannot man a navy, and that we must give a contribution in cash and allow better men than we are, to fight for us. That has been all brought about by this unholy alliance with the men who were disloyal to Canadian interests, to Canadian ideas and to the Empire in practically every speech they made during the campaign that ended in September, 1911.

I think my right hon. friend has now practically given up the claim that there is an emergency in Great Britain. If there is an emergency in Great Britain, he is not taking a very good way to meet it. If he believed for one moment that there was an emergency in Great Britain do you think, Mr. Speaker, that in Britain they would wait for three years to build ships? Do you think they would use those $35,000,000, that it is proposed to send over to Great Britain, to build ships when there is a much quicker way of getting ships ready for war at the present time, if my right hon. friend believes there is an emergency? But as I have already stated, I do not think that he holds that opinion. The only emergency is the emergency in which he finds himself of holding his followers together. That is where the emergency comes in. Why, Mr. Speaker, at the present moment there are in private British shipyards, in all stages of construction, six large warships for foreign nations, and it is well known that the Government of Great Britain has the right where a foreign nation is having a warship built in England, to take that ship at any time for the British navy. That being the case, what can you think of any one getting up here and saying there is an emergency when there are six ships that could be completed in very short order, some of them nearing completion now? If there was an emergency, the British Government would not hesitate a moment, but would rush forward the work on those vessels, would have the ships launched, equipped and added to the British navy at once.

Mr. BURNHAM: Would not that depend on the British Government?

Mr. TURRIFF: Yes, the British Government has the right to do that.

Mr. BURNHAM: If it depends on the British Government, why blame us?

Mr. TURRIFF: My hon. friend says: why blame this Government? The Government is to blame if it believes that an emergency exists, which I do not think it believes. If there was an emergency, this $35,000,000 could be used to far greater advantage than in letting contracts in which case the keels would not be laid down for probably six months and the ships would not be ready for two or three years; ships could be bought much quicker and the British Government could do that themselves without waiting for Canada to send over the money. There is, however, no emergency. Great Brtain does not want these ships because she has lots of ships of her own. She is not trying to take these six vessels; they will be completed and equipped, and then will go away from the shores of England to the nations which have ordered them. As I have pointed out, if there was an emergency, that would be the way in which my right hon. friend the Prime Minister would use the money, the way in which the British Admiralty would use the money. Therefore, I think that we can set this question of emergency aside.

Since this debate began, something of very great importance has taken place. The German government has come to the conclusion that Germany does not require such a large navy as Great Britain has; it has accepted the proposition that for every sixteen ships of any class that Great Britain has, Germany will not increase hers to more than ten, so that the proportion exists now of sixteen to ten in favour of Great Britain. Does any member of this House or any Canadian believe that, with a preponderance of sixteen ships to ten,

without taking into consideration the friendship of France and of our ally Japan, our relationship with Russia, that Great Britain cannot hold her own against Germany? Surely no Canadian would believe that. No Briton believes it; and no Canadian worthy of the name believes it, because very few men in Canada, I am proud to say, agree with my right hon. friend the leader of the Government, when he says that we cannot build ships in Canada, or that we cannot man them in Canada, or that Canadians cannot fight on water as well as they can on land.

Supposing that we did pass this resolution, and that we sent over this $35,000,000 to Great Britain for the purpose of building three dreadnoughts; and that those dreadnoughts were kept in the North sea pointing towards Germany. After this understanding, which has been arrived at between Germany and Great Britain that Great Britain may have sixteen ships to ten that Germany has, we would simply be weakening instead of strengthening the position of Great Britain. Under that arrangement, those three ships would have to be counted in the sixteen of Britain's ships against the ten German vessels; whereas, on the other hand, if Canada had her own two fleet units with one of these dreadnoughts at the head of each, instead of the ratio being sixteen to ten, in case of an emergency Great Britain would have eighteen dreadnoughts to ten of Germany's. If my hon. friends believe that it is necessary to have a preponderant number of ships, then we would be two ships to the good. Therefore everything seems to point to the fact that my right hon. friend the leader of the Government should drop this proposition, which is his second or third, and go back to his first proposition of a Canadian navy, built as far as possible in Canada, manned by Canadians, kept up by Canadians, and when the time comes in the fighting line with Canadians on the decks of those vessels, winning glory for Canada and the Empire against any foe.

Another argument advanced by some of my hon. friends opposite is that Great Britain needs this money. I think the time has come when we ought to do something in the way of defence of the Empire; but in my judgment, if we want to be a strength to the Empire, we must be able to defend our own shores. How can we be a help to the Empire, if the Empire has to defend the shores of Canada? Why does not Canada do the work at her own door first? We have the very best of authority from the British Admiralty that the most important thing for the outlying dominions to do is to defend their own coasts and to defend their end of the trade routes. That is the duty which is foremost at the present time; that is the duty which Canada in my opinion is called upon to do, to have her own navy so as to be able to defend her own coast, and in time of need to be of assistance to the Empire. After hearing some of the arguments put up by hon. gentlemen opposite, one would think that Great Britain was in dire straits. It has been pointed out in this House that Great Britain has something like $2,000,000,000 invested in Canada, and that we are paying Great Britain in interest about $80,000,000 each year. That is all right, because we get value for that interest. Great Britain is levying interest tolls on every nation of the world. In addition to keeping up her large army and her immense navy, within the last few years she has taken on millions and tens of millions of dollars of new expenditure in the way of old age pensions and other matters. While Canada goes year after year deeper in debt, Great Britain with all her Imperial burdens is gradually paying off her debt, and during the past six years has reduced her national debt by about fifty to fifty-five millions dollars a year, or a total of about $350,000,000 in six years, which is more than the national debt of Canada. In spite of it all, she has kept up her navy and kept it right in the forefront; she has not gone bankrupt in building ships; she is stronger to-day than ever she was; she has more dreadnoughts than all the other nations of Europe put together. She has a stronger navy than any two nations. Does that look as if Great Britain was impoverished, as if she needed a gift of $35,000,000? To my mind it is a poor way to pay our debt, whatever debt we owe to Great Britain, to send money in order to build ships over there, giving Great Britain empty ships. Of what advantage are they going to be? They do not save the British ratepayers, for the ratepayers have to furnish 2,500 men to man these ships. And the manning of ships is one of the most important matters they have to deal with. They have not their fleet fully manned to-day, and that fleet has not been fully manned at any time for some years. Yet we are sending over three empty ships, and they will have to hunt up the men to man them. So, if this is a gift, it is a gift with a very strong string on it, it is a gift that will not appeal very much to the people of Great Britain. It is not money they need so much as men. My right hon. friend the leader of the Government has said that we could not man a Canadian navy, and in this connection we have heard many sneering and ill-natured remarks about the two ships that Canada already has, the Niobe and the Rainbow. I wonder if it ever occurs to hon. members who make these remarks that it is not upon the late Government that they reflect, not upon members on this side, but upon the British Admiralty and the British navy.

Who built these ships? They were built by the British Admiralty and built in England. Who sold them to Canada? The British Admiralty. Who advised that that they were the ships that Canada wanted? The British Admiralty. So, any words my hon. friends on the other side have said in connection with a 'tinpot navy' has been levelled directly against the British nation and the British Admiralty who built the ships and recommended Canada to buy them. These ships were not bought for the fighting line; they were bought as training ships. And my hon. friends on the other side of the House knew that perfectly well; but for the sake of a little political capital, a little party advantage, they have gone up and down this country for two years reproaching my right hon. friend the present leader of the Opposition (Sir Wilfrid Laurier), reproaching the late Government and the Liberal party, when every word that they uttered was a direct reflection upon the ability and honesty of the British Admiralty. Will anyone advance a good reason why we cannot man ships in Canada? I have only heard one reason advanced since this debate began, and that was advanced by the Postmaster General (Mr. Pelletier). That hon. gentleman said that we were too rich in Canada, too prosperous, that our young men could get higher wages at home than we could hire British seamen for to work for us. Mr. Speaker, can you name one nation of the world that ever became great, that ever made itself respected by the other nations of the world, that hired men to do its fighting? There is not one nation, ancient or modern, that ever became great, that ever took a high place in the world, that ever was respected or feared by other nations, that gained this place by adopting the policy of hiring men to do its fighting while its own citizens remained at home. Yet this is the policy which my right hon. friend the leader of the Government, and every one who backs him up is advocating for Canada. It is something to be proud of, is it not—to advertise to the whole world that we are a nation of poltroons, that we dare not go upon the deck of a ship and fight the battles of the Empire; that we give empty ships, but hire others to do our fighting for us? And this policy is the exact opposite of what the right hon. gentleman advocated two years ago. And that only shows the extremes to which he and his friends are driven. It is said that we cannot find the men to man our ships. We have the sixth largest mercantile marine in the world; have we any trouble in manning our merchant ships? I have never heard it suggested that we cannot get men for our merchant ships. How is it that the neighbouring republic can man their vessels? Their condition is almost the same as ours, but ours is the more favourable, and for this reason, that we have on the Atlantic coast, and also on the Pacific coast, a very much larger proportion of our population living on the sea than they have in the United States. Down by the Atlantic, in the three provinces of Nova Scotia, New Brunswick and Prince Edward Island, I understand there are seventy thousand men who make their living from the sea—fishermen chiefly. It is a well-known fact that the life of a fisherman, deep sea fisherman, or coast fisherman, is one of the hardest lives in the world, so far as hard work goes, and also that it is one of the poorest paid when you take the average earnings of each fisherman one season with another. So, I say, if we had Canadian vessels, and had a system of service that gave fair wages—reasonable wages, I do not mean the wages that many mechanics receive—you would have no difficulty whatever in securing all the men you could possibly want for any fleet such as Canada would require for the next fifty years. And where would you find finer men than the descendants of the English, Irish, Scotch and French settlers of a hundred or two hundred years ago who settled in the maritime provinces? In addition to that we have over 100,000 people coming into Canada every year from Great Britain, and many of these are young men who, when they come to Canada, might be glad to get into that service for a time. We found the same thing in the case of the mounted police. Probably half of that service, perhaps even a larger proportion, of the men in the Northwest Mounted Police, as fine a body of men as exist in the world, are young Englishmen, Irishmen, or Scotchmen who came out to settle on the prairie, and, in order to learn something about life in Canada, enlisted for from three to five years. Some of them at the end of their first term have enlisted for another term. Many, at the end of three, four, or five years, have left the service, thoroughly posted as to Canadian conditions and ideas, and to-day you can find many of these men occupying high positions in the provinces of Manitoba, Saskatchewan, Alberta and British Columbia. We have had a considerable number of those men on both sides of this House—men who have put in years and years in the service of the Northwest Mounted Police and, it would be the same if we had our ships built and were ready to man them. In the United States last year they wanted 17,000 men for the navy, and how many applicants do you think they had? They received 37,000 applications, and they turned 20,000 men away! Of the men selected, over ninety per cent were not only American citizens, but American-born.

If that state of affairs exists in the United States, why should we have any difficulty in this country? I contend that we would not have any greater difficulty here, we would have no trouble with regard to the men. We would get the right class of men —men who would be a credit to Canada and to the Empire; men who, when the call of duty came—when the bugle sounded and war took place—would face the situation and take their part and their share in the conflict in the same way as did our men some ten years ago in the case of the South African war.

Mr. FOSTER (Kings, N.S.): Would the hon. gentleman be good enough to explain why we have had difficulty in obtaining men in Canada?

Mr. TURRIFF: For what purpose?

Mr. FOSTER: For the navy.

Mr. TURRIFF: For the Niobe and the Rainbow?

Mr. FOSTER: Yes.

Mr. TURRIFF: I do not know exactly what the figures are as to the number of men who enlisted for service on the Niobe and the Rainbow, or as to the number of men required, but one reason why difficulty was experienced was the fact that these were not fighting ships, but training ships. But the principal reason was that these men were hounded to death by my hon. friends on the other side of the House; they were laughed at, and told that these vessels were not war vessels, but only tinpots. Had my hon. friends on the other side of the House been reasonable and fair and patriotic, there would have been no difficulty whatever in securing men. Will any hon. member opposite tell me, if in the United States they can get twice as many men as they want, why we, who have a much larger proportion of seafaring men, cannot get what few men we want for a Canadian navy?

Mr. GRAHAM: Admiral Kingsmill says they did not try the fishermen, where they were supposed to get the men.

Mr. TURRIFF: That may be another reason, but if you build a navy in Canada and have a permanent service, which the men can look forward to as a career, you will have no dearth of young men desirous of joining the navy.

Ten or twelve years ago, when the South African war took place, Canada sent over a contingent; later on, she sent a second contingent, and then she sent the Strathcona Horse, a third contingent. Many of these men came from my part of the country—from the prairies—and I knew a great many of them. A large number had had no previous training in warfare, but they went to South Africa, and it is a matter of history that, man for man, they were just as good soldiers and fighters, and showed just as much heroism and bravery, as the best men sent to South Africa from any part of the world. Many of our young men who took part in these battles in South Africa died on the field of battle, in defence of the Empire. Their blood dyed the veldts of South Africa, and, in some cases, I presume their bones are bleaching on the prairies. I want to ask hon. gentlemen opposite, if we had then followed the policy suggested by the Postmaster General, and partly suggested by my right hon. friend the Prime Minister —and he stated it again last week—to the effect that we cannot man our ships; if we had said to Great Britain at that time: Our men can earn more at home than the soldiers you send to South Africa; here is $2,000,000 or $5,000,000 or $35,000,000 to help you out—would we have been so remembered for our services as we are to-day? No; we would never have heard of it again; it would have been a drop in the bucket, and it would have been to our eternal shame that when asked for help we gave money and withheld our men. Not only that, but it would have been an insult to every young man in the Dominion of Canada. But we did not take that course; we sent our men, and Canada has ever since reaped the advantage; it has been held to her credit; it has been remembered in Great Britain, and I venture to say it did more to cement the bonds of empire than anything that had taken place up to that time. If, then, that is the case, what are we to do in this later day, when our country is twice as rich as it was ten years ago, has almost doubled in population, and is yearly increasing in wealth, power, and position? What are we to say now, when the time has come that the Empire needs assistance? Shall we send empty ships, and let better men do our fighting? Shall we send mere dollars, with nothing behind them? Or shall we build our own navy, man it with our own Canadians, maintain it with our own money, and defend our own coasts in time of war, holding the ships in readiness for the use of the Empire, in any part of the world, where its services may be deemed necessary by the British Admiralty?

The difference between the policy of my right hon. friend opposite and the policy enunciated by the right hon. the leader of the Opposition is this. Under the policy of the leader of the Opposition we build our ships in Canada, as far as possible, we man them by Canadians, we maintain our own ships, and, when fighting is to be done, the Canadians are in the firing line. Under the policy advocated by hon. gentlemen on the other side of the House, when the bugle sounds for action, we send empty ships—and the Canadians are at home under the bed! You cannot get away from this position under the policy of the leader

of the Government we are shirking our responsibilities; we are taking a course of which every Canadian ought to be ashamed —a course that does not appeal to the manhood of Canadians; a course that will never build up a national spirit in Canada. You will never be able to man ships if you train people in that way. The right hon. the Prime Minister of Canada says to this country and to the world: We can put up money; but we cannot build ships, and cannot supply men; the Postmaster General says we will not supply men, because you can hire them in the Old Country for twenty-eight cents a day, and our men earn say $1.50 or $2 a day. Is that anything to appeal to the imagination of young Canadians? I say it is a policy that Canada should not think of adopting; it is a sorry spectacle that the Prime Minister of Canada is driven to such a policy by his colleagues, the Nationalist party of Quebec. Does any one imagine for a moment that if it were not for that influence my right hon. friend would advocate such a thing? Do you imagine for one moment that he would go back on what he said two or three years ago? He would never think of doing such a thing. It only goes to show to what extremes partyism will drive a man, and the whole people of Canada practically are going to be put in a false position, an unfair position, a position they do not like, a position which if it was put to the country would not command one vote in five on a plebiscite, and what for? All to satisfy a small bunch of our friends from Quebec, followers of the hon. the Postmaster General, the Minister of Inland Revenue and the Secretary of State. And for that the whole people of Canada are to be put in a false and untenable position to please a few Nationalists of Quebec whose motto is, not one man, not one dollar, not one ship to help the Empire in time of trouble. That is their motto, that is what they were elected on. Some of them talk differently now. Why? The salary is good, and they do not want to resign. One of their number, the best of the lot by a long way, a man who sat for many years in this House, respected on both sides of the House, stood it for a short time but he could not stand it very long and rather than find himself in the position of my hon. friends he sent in his resignation, the only thing that an honourable man could do under the circumstances, if he was animated by the best motives. I do not know by what kind of motives my hon. friends opposite are animated that enabled them to keep their places.

One word more about the danger of German invasion. In the past six years the Government of Great Britain has paid off its debt to the extent of $350,000,000, and at the same time Germany, in order to build her navy has increased her debt by $200,000,000 so that on one hand you have Great Britain paying off her debt, keeping up her ships and her army and everything out of annual revenue and paying off $50,000,000 a year while Germany is borrowing about $35,000,000 or $40,000,000 a year in order to build up her navy. How long can that sort of thing continue? It is a matter that any one can see, it is a matter of common sense, it is a matter of dollars and cents, that if it is a case of seeing who can build the strongest navy or keep it up the longest the victory is bound to come in the end to the nation which can do all that out of revenue and at the same time pay off largely her national debt as against the nation that has to borrow money each year to keep the race up.

One word as to whether there is any likelihood of trouble with Germany. Take what the German Ambassador said last October:

We do not cherish the slightest desire or intention of disputing Great Britain's mastery of the seas said Prince Lichwonsky. 'A supreme fleet is, as the Britons claim, a life and death question with them. They are supreme now and no responsible person in Germany dreams of distributing that pre-eminence, but it must not be forgotten that a powerful fleet is also a vital necessity for us. England must not read hostility into the fact when we know and then lay down a dreadnought. Anglo-German relations are beset with difficulties, but they also offer ample opportunities for an agreement.

That is putting the matter fairly and squarely. About the same time that the German Ambassador made that statement we have a statement from Mr. Poincare, then the Premier, now the President of France. He said:

We have no intention to change our friendships. The ties which bind us to Russia and to Great Britain are imperishable; they are cemented by political sentiments, political interests and political probity. Nothing can compromise en entente upon which the European equilibrimum depends.

Such clear intimations that the emergency is a mere piece of hysterical phantasmagoria should be sufficient to move even Mr. Borden's political equilibrium.

Surely in discussing this question of naval supremacy it is plain to see that Great Britain does not stand alone. There may have been a time when she stood in splendid isolation, but that time has long gone by. You have not heard a word from any hon. member opposite about the friendship of France. The hon. member for Rouville (Mr. Lemieux) spoke of it the other day. France has the third navy in the world to-day; Russia has a very considerable navy, and then in addition to all that Japan is an ally of Great Britain's

and will be for the next eight or nine years at least, so it is utterly absurd for any one to speak about bad relations between Great Britain and Germany, or about there being any German scare or any emergency whatever.

If we adopt this principle of giving a contribution of $35,000,000 it is practically going back seventy years in our history, going back to the days of the family compact,—it is paying tribute. You may disguise it with fine phrases as much as you like but it is paying tribute just the same. My hon. friend the Prime Minister says that this is an emergency contribution. But if you will remember he further stated that we could not in the next twenty-five or fifty years hope to build ships in Canada, hope to build a navy in Canada, and that even then it would be such a poor, miserable affair that it would hardly be worth the attempt. Hon. members will remember what was stated by the hon. member for St. John, N.B. (Mr. Pugsley) on this subject. He pointed out that at Fore River, Mass., some ten or twelve years ago, a shipyard was established. Twelve years ago it was a vacant field, and between that time and this 114 vessels have been built there, six of them dreadnoughts, and that concern now has contracts for two foreign warships. The Prime Minister talks of what an enormous amount of money it would take to equip a navy yard in Canada. Why should it take more to equip a navy yard in Canada than it would in the United States? Conditions are the same practically, prices are just the same in that respect and for this navy yard, that in ten years has built 114 ships, six of them dreadnoughts, the whole cost of the land, buildings, machinery, and equipment of every mortal description, was less than $4,000,000. Is that a sum to stagger Canada? Is that a sum to frighten Canada? It seems to be small when we are talking of $35,000,000 at once. Supposing we did give this $35,000,000, what are we going to do afterwards? these dreadnoughts will not last for fifty years, the time that the right hon. leader of the Government says it will take to build ships in Canada. When these ships go on the scrap heap in ten years what about the next subscription? Supposing these ships are wrecked a year after they are built, as often happens to war vessels, what will we do then? Will there be another subscription? Does the right hon. leader of the Government, or anybody sitting behind him, believe that if you did give this subscription of $35,000,000 and if, in ten years from now, you came back and asked for another $35,000,000, the people of Canada would stand it? They would not stand it and they would not stand it to-day if they were given an opportunity of saying whether they would or not. Nobody knows better than hon. gentlemen opposite that the people would not stand it. If they think they have the people of Canada behind them why do they not test the feeling? They will not do it. Why? Because they know that they have not the support of the people behind them in this matter. I venture to say that if the question were submitted to a plebiscite they would find out where they were. Let them submit to the will of the people and they will find out where they are.

A great deal has been said, and a great deal has been written in the papers throughout Canada, about the British Admiralty having asked for this subscription. It is not true; the British Admiralty did not ask for it. The British Admiralty were not given an opportunity of saying what they wanted. The right hon. leader of the Government went to the British Admiralty and said: For immediate assistance what would you propose? I challenge my right hon. friend to-day to take this policy of a subscription of $35,000,000, place it before the Admiralty alongside of the policy of my right hon. friend the leader of the Opposition and ask what they want. We will abide by whatever they say. My right hon. friend the leader of the Government went there and said: We have no permanent policy, and I suppose he would tell them, what he has told us, that it would take fifty years before we could build ships. He said: We want to give you some immediate aid—what shall it be? That is why he got the answer from the British Admiralty that whatever we gave should include certain ships. But that is not what the British Admiralty wanted. What the British Admiralty wanted was stated three years ago when they were asked the plain question and not trammeled by conditions. If hon. gentlemen opposite think that they have the people behind them—and we have the Prime Minister's statement that it is of the utmost importance that there should be unanimity on this subject—let them submit this question to the people in any shape they like, either by plebiscite, which I am not advocating, or by an election, and let them find out where they stand.

Mr. FOSTER: Is the hon. gentleman advocating an election?

Mr. TURRIFF: The right hon. Prime Minister stated two years ago that the question of reciprocity should not be decided without an appeal to the people. If that was the case why should he decide this question without an appeal to the people? This matter has never been before the people and has never been voted upon by them. The last election was run on the question of reciprocity and every hon. gentleman knows that. If my right hon.

friend wants something unanimous, if he is so sure that he has the people behind him, why should he hesitate to submit the question to the people and find out whether this is what they want or not?

Mr. GUILBAULT: The hon. gentleman says that the last election was fought out on the reciprocity question and that the opinion of the people was not obtained on the naval question.

Mr. TURRIFF: Perhaps I should qualify that by saying that the people all over Canada with the exception of a faction that raised trouble with my right hon. friend the leader of the Opposition in the province of Quebec, the reciprocity question was the issue. But there were a certain number of places in Quebec where the navy question was discussed.

Mr. GRAHAM: The Canadian navy won in Quebec, the only place where is was discussed.

Mr. TURRIFF: Yes.

Mr. BELAND: And it is getting better every day.

Mr. TURRIFF: I would say to my hon. friend from Joliette (Mr. Guilbault) that it is true that certain people in Quebec were against a navy in any shape or form. I am not very much surprised at that; I can quite understand the people of Quebec not being very favourable at first to a navy. The people I represent in this House, only a sprinkling of whom are French people, and who are mostly English, Irish and Scotch Canadians from the province of Ontario, are not very favourable to a navy either. Therefore, I can quite understand the position in Quebec. But, an unfair means was taken by hon. gentlemen opposite. As stated by the hon. Minister of Trade and Commerce (Mr. Foster) it was anything at all to beat Laurier. Hon. gentleman opposite pursued one policy in connection with the navy in Quebec and another policy in connection with the navy in the other provinces.

Mr. LEMIEUX: The navy won in Quebec.

Mr. TURRIFF: The navy won in Quebec. We got a big majority of members from Quebec.

Mr. GUILBAULT: The attitude of the hon. gentleman's party on the navy question was disapproved in Quebec.

Mr. TURRIFF: No.

Mr. LEMIEUX: Only in Joliette and that by accident.

Mr. TURRIFF: I understand that the navy was opposed by certain people in Quebec and Joliette was one of the constituencies which took that view of it. The hon. gentleman (Mr. Guibault) won out himself but the great majority of constituencies in Quebec, where the policy advocated by my right hon. friend the leader of the Opposition was in issue, elected men in favour of a Canadian navy.

Now, Mr. Speaker, let me quote what one of the best authorities in Great Britain has to say about the advisability of building dreadnoughts. This statement was made by Admiral Beresford, a day or so after the right hon. leader of the Government made this speech in this House:

London, Dec. 6.—Lord Charles Beresford apparently has foreseen grave danger in the Borden idea, and says in the Daily Express this morning:

'What I recommended was that the dominions defend their end of trade routes with strong naval bases, mines, torpedo boat destroyers and light cruisers. The trade routes are unprotected and now our danger is starvation and not invasion. The country was deceived and fooled by statements regarding the dreadnoughts of other nations. We were insulted by being told a dreadnought could sink their whole fleets. The people speak of nothing but dreadnoughts, quite forgetting that a fleet is composed of a variety of units, any one of which being defective or short jeopardizes the whole.'

These are the words of one of the most prominent admirals that Great Britain has had for a number of years. He is not a supporter of the present administration of Great Britain; he has been a strong opponent of it from the first, and he points out that dreadnoughts are not altogether what is wanted, that dreadnoughts alone do not comprise a fleet, and that you must have smaller vessels as well. Let me point out what a fleet unit is, and what the difference is between the proposition of my hon. friend the leader of the Government, and that of my right hon. friend the leader of the Opposition. The leader of the Government proposes to give three empty dreadnoughts. The leader of the Opposition proposes two fleet units, each unit headed by a dreadnought of exactly the same class, capacity and power as those proposed by my right hon. friend the leader of the Government; so that, so far as dreadnoughts are concerned, there is a difference of one. Now what would we have in connection with the two fleet units in place of the third dreadnought? We would have three unarmoured cruisers on each coast; that would be six unarmoured cruisers. We would have six destroyers on each coast; that would be twelve destroyers. In addition we would have three submarines on each coast, a total of six submarines; so that in place of the third dreadnought, and as I have said the two dreadnoughts suggested by the right hon. the leader of the Opposition are identical with those suggested by the right

hon. the leader of the Government, we would have six unarmoured cruisers, twelve destroyers and six submarines, with the necessary auxiliaries, such as depot and store ships which are not specified. Who for a moment would believe that these ships, to guard our own coasts, which Lord Beresford says is a most important thing—for he declares that is not invasion but starvation they have to fear in Great Britain in case of war—who would believe that these two fleet units manned and maintained by Canada would not be of greater service than three empty ships given to Great Britain with a string attached, and to be manned by Great Britain and kept up by Great Britain. It seems to me that there is absolutely no question as to which policy would be the best in the interests of the Empire. Of what strength can we be to the Empire when we cannot defend ourselves? If we had a dreadnought on the Atlantic coast it would not be necessary to keep it there. It could go to any waters in any part of the world. If there was likely to be any danger at any time, the Government would know of it five or six days beforehand, at all events, and that is all the time that a ship would take to cross from our coast to Great Britain. As for the Pacific unit, it is a well known fact that the British Admiralty are more than anxious to have Canada place a unit on the Pacific coast. Why? Because with the Canadian unit, the Australian unit, the New Zealand unit, and the unit of the British navy now in the Chinese seas, there would be four units that could be assembled at any point where there was likely to be trouble; and so we would have, right at once, the first line of battle. A Canadian unit on the Pacific coast is what the people of British Columbia have been advocating, practically without a dissenting voice, for the last four or five years. They want a unit, and to my mind if any possible danger may be expected to loom up in the future in the way of naval warfare, it is more likely to come on the Pacific coast than in the North sea. The people of British Columbia think so, and they are anxious to have a fleet unit on the Pacific. Why then not do what the British Admiralty suggested in the first place? Why not give them what they want to defend Canada and the Empire? I am one of those Canadians who never hesitate, and never fear to say that I am a Canadian, and as a good loyal Canadian, I believe that the better Canadian I am, the better Imperialist I am. I am not afraid to say in this House, or on any platform in the Dominion of Canada, that if Canada builds her navy, mans it, and pays for it, Canada shall have the say and the control of that navy until the time of war comes when it will be put under the British Admiralty. Who should have that control, if not Canada, when we build the navy and pay for it? Are we going to say that we are poorer men than the men from other parts of the Empire? Are we going to acknowledge that we are not as good men, or that we cannot take our share of the defence of the Empire?

A great deal has been said during the past month or two to the effect that a Canadian navy means a separatist navy. That is a disgrace and a shame to the man who says it. Was my right hon. friend the Prime Minister of Canada a separatist three or four years ago when he so eloquently advocated a navy, built as far as possible in Canada, and manned by Canadians? Was every man on the other side of the House within hearing of my voice a separatist when he supported that policy? I repeat that it is a disgrace for any man to come forward now and say that a Canadian navy would be a separatist navy. I do not think that a statement of that kind will appeal to the people of Canada. It would be impossible to elect any Government in Canada, Liberal or Conservative, that in case of trouble in the Empire, would not put the fleet immediately under the control of the British Admiralty. You could not elect such a government; you could not have a government controlled sufficiently by the Nationalist wing of the present Government to prevent the Canadian navy from being put at the service of the Empire. We do not have to take a back seat in saying that we are Canadians and proud to be Canadians; and the better Canadians we are, the better imperialists we will be.

I am very much pleased at the great change which has taken place in the province of Quebec in connection with the naval question during the last two years. I never could understand how the descendants of the people of old France would ever be against a navy. The French were the great ship-builders of Europe two or three centuries ago. In the great wars that took place for over a hundred years between England and France, at one time one nationality would be the victor, and the next time the other nationality would win. Whenever a French ship was captured, it practically served as a model for British warships that were built afterwards. The French were ahead of every other nation in the world as builders of warships. The men of old France manned those ships, carried the flag of France on every sea, and won many great naval victories. The people of France have a record of which they may well be proud. Does anyone dare to tell me that the descendants of those people are not ready to fight for their country? I do not believe it. I have the honour of being born and brought up in the province of Quebec, surrounded on all sides by French people. I was a young man when I left home; I

could speak French as well as English; I spoke it often; I can speak it in a rough way now when I have to during election times; and I have seen nothing in my whole life to make me believe that the people of Quebec, the descendants of the people of old France, are not just as good men and as good fighters on land and on sea as their English-speaking compatriots. No one can make me believe that the French people of Quebec, when they understand the question, will not be as ready to do their share in the defence of the Empire as the people of any other part of the Dominion of Canada, of course excepting always my hon. friend the Postmaster General and a few others on the other side of the House.

I will now refer for a few moments to some of the things advocated by my right hon. friend the Prime Minister. I am quoting from his speech made in this House on March 29, 1909, which is only a short time ago. He said:

It might be wise to refer for a moment to the circumstances that Great Britain, by giving to Canada and the other great dependencies of the Empire, absolutely full control of their own affairs, and absolute autonomy in respect of self-government, has, I believe, increased and strengthened the ties which bind these great dependencies to the Empire as a whole, in a measure which would not have been practicable by any other policy. I believe also that the ties which bind Canada to the Empire to-day are firmer and surer and more enduring than they have been at any time in the past.

If we have absolute and full control, why should we not build and man our own navy? On that same occasion he said:

It is of no use for us in Canada to speak of this country as a nation, and to shrink in any manner from the discharge of our national responsibilities? What are those responsibilities? Acknowledged in every civilized community, recognized among all the great nations of the earth, a primal responsibility is the defence of their territories and the protection of their commerce.

How are you going to defend your territories and protect your commerce, if you do not build a navy? Are you going to do so by giving contributions to someone else to build a navy and to do our fighting for us? Further on, the right hon. the Prime Minister objected somewhat to the expenditure of $6,000,000 for military purposes. I would recommend that he keep that in mind when my hon. friend the Minister of Militia (Mr. Hughes) is fixing up his estimates, because I understand they will be about $4,000,000 more than they have ever been before. At that time my right hon. friend thought that at least half of the money should be spent on the navy. Further on he said:

We are all aware to-day, that the policy of the British Admiralty is a policy of concentration, and we are all aware that the policy of the Australian naval programme, which has recently been entered into with the full approval and consent of the Mother Country, is altogether designed to guard the coasts of Australia against a danger of that kind.

Take the case of Australia. Australia started out to give a contribution. She found it was unsatisfactory and changed, and she is now building her own navy. Instead of Australians talking about it being a separatist navy, or about it being disloyal to have that navy under the control of the Australian Parliament, the two parties in the Australian Parliament during the last few months were quarrelling as to which party was entitled to the credit of insisting that the navy should be absolutely under the control of the Australian Parliament. My right hon. friend stated further:

In so far as my right hon. friend the Prime Minister to-day outlined the lines of naval defence of this country I am entirely at one with him. I am entirely of the opinion, in the first place, that the proper line upon which we should proceed in that regard is the line of having a Canadian naval force of our own. I entirely believe in that. The other experiment has been tried as between Australia and the Mother Country and it has not worked satisfactorily in any respect. In Great Britain the contribution has perhaps been regarded as rather unsatisfactory. In Australia it failed, in the end, to meet the approval of the people for the reason that Great Britain felt constrained to ask Australia that the field of operations of the squadron should be extended to the China and Indian seas; and when the operation of that squadron was so extended the Australian felt that the contribution which they had been making for some years past was not really being used to give that protection to Australia which her interests demanded, so that the policy of Australia at the present time is to build up a flotilla of submarines and torpedo boats, which, in case of war, would co-operate with armed cruisers and battleships of the British navy. It was pointed out in discussing this question that Australia in providing a force of that kind would provide a force which it would be very difficult, if not impossible, for Great Britain to send across the seas, and that in thus protecting themselves, they were providing the best possible force for the protection of the Empire.

If Australia in defending herself is doing the very best for the defence of the Empire, why should not Canada in defending herself be doing the very best possible thing for the defence of the Empire? My right hon. friend went on to say:

So I am at one with the Prime Minister so far as this is concerned. I am at one with him in this respect, also that I think that expenditure of money designed for that purpose ought, in the main, at least, to be under the control of our own Parliament, and that by making an appropriation of that kind and attending to the defence of our own coasts by co-operation and co-ordination with the Imperial naval forces, we would be ren-

dering a real service in the defence of the Empire, and we would be doing our duty, not only for Canada, but for the Empire as a whole.

Just one further extract from that speech:

I come now to a consideration of the resolution which has been moved by the right hon. the Prime Minister and I will say that with many portions of it I am in entire sympathy, but I would like to make one or two suggestions to the right hon. gentlemen, and I do not make them in any party spirit or any carping spirit, because if there is one thing more than another that I would desire it is that the policy Canada on this great question and the resoluiton announcing it should meet with the absolute and unanimous approval of this Parliament and of the country.

That was the position of my right hon. friend the leader of the Government in 1909. I pointed out why, in my estimation, he has gone back on this position. He went on:

What suggestions I have to make I make with the sincere desire that we may shape a resolution of which we can all approve and which shall go forth (to the world) as a ringing declaration that if the mother of nations has to fight the battle of her life, the people of Canada without distinction of party or of creed will stand by her side in that fight. This is too great a question for the introduction of party strategy. It is a question in respect to which we should all rise superior to party motives, and so I propose making to my right hon. friend one or two suggestions which I know he will receive in the spirit in which I make them.

Now, that surely was worthy of the leader of the Government. But he has changed views since then, compelled to do so, as I pointed out, by the Nationalist wing of his party. For the purpose of holding these Nationalists, he now goes back on the view he then held and puts forward a proposition upon which we cannot be unanimous, because the country is not behind it.

Mr. MARSHALL: How do you know that?

Mr. TURRIFF: Let my hon. frends opposite bring it to the test, and they will find the country is not behind them. At a later date, the 12th of January, 1910, the hon. gentleman spoke further on this question. I will not read at length on this speech, though I have a number of quotations from it here, but will only give the closing one:

I say to my right hon. friend the Prime Minister, so far as my words have any weight with him: Go on with your naval service.

That was the Canadian navy, remember.

Proceed slowly, cautiously and surely. Lay your proposals before the people and give them if necessary an opportunity to be heard.

Mr. TURRIFF.

Now, I have just one more point on which I wish to say a word or two, and then I am done. My hon. friend to my left here says 'Thank God.' Well, unfortunately, my hon. friend on my left, like his friends opposite, does not seem to have the power of speech on this subject, and so I have to speak for myself and for them as well. Now, I wish to present this view to the Prime Minister: I think that it is absolutely unfair that this question should be settled without a reference to the people. I do not think this House is in a postion to properly decide on that question, for the simple reason that this House is not properly representative of the people. The province from which I come is not properly represented here. We are entitled to far more members than we have here at the present time. And the same is true of the provinces of Manitoba, Alberta and British Columbia. That being the case, why should this House decide a question such as this without submission to the people? Let me give you an idea of how unfairly we are represented. Here are the figures showing the basis upon which the four western provinces are represented in this House:

	Inhabitants.
British Columbia has one member for each	56,068
Alberta has one member for each.	53,532
Saskatchewan has one member for each	49,243
Manitoba has one member for each.	45,561
Average	49,739

And here are the figures for the eastern provinces:

	Inhabitants.
Ontario has one member for each	29,340
Quebec has one member for each	30,810
New Brunswick has one member for each	27,068
Nova Scotia has one member for each	27,352
Prince Edward Island has one member for each	23,432
Average	29,376

Thus we see that the average member from the western provinces represents more than 20,000 more people than does the average member from the eastern provinces. In the face of that inequality, I call on the right hon. Prime Minister to remedy that before he attempts to pass that measure. This is a measure that he himself has said should be dealt with unanimously, that on this question we should have a policy that would appeal not only to the members of the House but to the people of the country. My right hon. friend himself must feel that the policy he has initiated does not appeal unanimously to this House. And I am told by members who have figured it out that the number of people who voted for members who supported the resolution of my right hon.

friend is just about the same as the number who voted for those who opposed it. In view of that I call on my right hon. friend not to force this question at the present time, but to give us the redistribution. I call upon my right hon. friend not to force this question at the present time, but to bring down the Redistribution Bill. My right hon. friend is constitutionally bound to do this; the British North America Act, in section 51, says that it shall be done after a census has been taken. A census has been taken; it shows that the West is only half represented, and it is unfair, I say, to pass a measure such as this, inaugurating a new course for Canada, to which more than half the people are opposed I call on my right hon. friend to make good his promise when he canvassed the West two years ago, and held meetings throughout the western provinces, that, if returned to power, one of the first things he would do would be to pass a redistribution Bill.

Mr. BORDEN: On what occasion does my hon. friend say I made that statement?

Mr. TURRIFF: I have been told, Mr. Speaker——

Some hon. MEMBERS: Oh, oh.

Mr. TURRIFF: Hon. gentlemen should not laugh too quickly. I have been told by a number of my own constituents who had the pleasure of hearing my right hon. friend in the towns of Estevan and Weyburn—both of them in my constituency—that my hon. friend stated that if he was elected on the reciprocity question, one of the earliest things he would do would be to pass a redistribution Bill, and give to the West their proper and legal representation. That statement was made by my right hon. friend generally in his tour throughout the West.

Mr. BORDEN: I beg my hon. friend's pardon, but I have absolutely no recollection of making any such statement, and am quite convinced that I never did so.

Mr. TURRIFF: Let me quote to my right hon. friend what one of his own particular friends wrote—Mr. Castell Hopkins—in the Canadian Annual Review. Referring to the utterances of my right hon. friend at the Melville meeting, Mr. Hopkins said:

Reciprocity he said should not be put through a parliament which was not elected on it. If the referendum was a good thing, he would expect the farmers to support the Conservative demand for an election. In this he reiterated a statement made many times during his western trip—that reciprocity should be postponed and proper representation given to the West before a general election.

Mr. BORDEN: That does not seem to be precisely what my hon. friend previously stated.

Mr. TURRIFF: I did not have the pleasure of being in that particular part of the West at the time my right hon. friend held his meetings in my constituency, but I was told that one of the promises made by my right hon. friend was that, if returned to power, one of the earliest things he would do would be to give the West the representation to which it was entitled. That is not the only promise my right hon. friend made on that trip, and which he has forgotten. He made several other promises which he has forgotten, at least so far as taking any active means to carry them out are concerned, but as these subjects are not connected with the naval question, I will not refer to them at the present time. If the western provinces have the same representation as those of the East, instead of thirty-five members we would have fifty-nine and I appeal to any right hon. friend as to whether it is fair to put through a measure inaugurating a new policy for Canada, when proctically one-half of this great country is but half-represented in this House of Commons? In this I appeal to the sense of fair play of my right hon. friend the Prime Minister, and I intend to close my remarks by submitting an amendment to this Bill, as follows:

That the said Bill be not now read a second time, but that it be resolved:

That it is the constitutional duty of the Government, under the terms of the British North America Act, immediately to introduce a measure for the readjustment of the representation of the provinces in the House of Commons, according to the population of the said provinces as established by the census of 1911, and that this House do not proceed further with the Bill until such readjustment has taken place, and the people have been duly consulted on the said Bill.

I present that motion to the House, believing that it is but fair and reasonable. In pointing out the representation to which we are entitled in the West, I have said nothing about the enormous number of people who have come in since the census was taken. I do not claim that we are entitled to representation for those people, but I would point out that last year the Department of Immigration made the statement that, every twenty-one days during last summer, the tide of immigration coming into the four western provinces entitled these provinces to an extra member in Parliament. We do not base a claim upon anything of that kind, but surely this emphasizes the fact that we ought to have that representation to which we are entitled by the census of 1911. Supposing my right hon. friend does not pass a redistribution Bill at present, but brings it down next

session, as the right hon. gentleman stated some time ago he would do. Under our constitution no government is certain of a year's power. In 1873, Sir John A. Macdonald, when he opened the session, expected to be in power until the term expired, but he did not do so. A couple of years ago, the right hon. gentleman who led the Government, when he started the session, expected that he would remain in power during that term of Parliament, but he did not do so. The right hon. the Prime Minister might, in the early part of next session bring down a redistribution Bill; some thing might happen to prevent the Bill from going through, and he would have to appeal to the country. What would be the result? in the year 1914 a parliament would be elected with the right to sit for five years, which would carry it up to the end of 1919, and the provinces of British Columbia and Manitoba would, in that Parliament, be represented on the population of 1901, the provinces of Saskatchewan and Alberta would be represented according to the census taken in these two provinces in 1906, and, during the whole decade between 1911 and 1921, the western provinces would be deprived of their just and rightful representation in this House. In view of these facts I would ask the right hon. member, according to the terms of the amendment I have moved, not to go on with this Bill but to bring in his redistribution Bill. We will help him through with it. When that Bill is through let him appeal to the country and he will then find out whether the people of Canada are behind him or not.

Mr. W. B. NORTHRUP (East Hastings): Mr. Speaker, I have seen a singular illustration this afternoon of an old rule which says that arguments between two disputants who can never hope to convince each other depend on one of two things, either a difference as to the facts or a difference in the standpoint from which the facts are viewed. I take it for granted that that principle applies to this debate, and in view of the statement made by the right hon. the leader of the Opposition (Sir Wilfrid Laurier) that in discussing this question he would not yield in loyalty or devotion to the Empire to the right hon. gentleman who leads the House, we need not worry about the standpoint from which these facts are to be viewed. We may take it for granted that every hon. member in this House honestly desires to do the best that he can at this time for Canada and the Motherland. I would not have deemed it necessary to read at any length from the memorandum of the Admiralty had it not been for some remarks made by previous speakers, including my hon. friend from Assiniboia (Mr. Turriff), which convinced me that not only had they not read the memorandum of the Admiralty but that they had not even read the Bill to which the hon. member has offered an amendment. I heard him again and again and again denounce the right hon. gentleman who leads the Government on account of his daring to give this 'subscription' to the Motherland. We heard a tirade against the Motherland on account of her wealth, we heard a tirade against those who would venture to give a subscription of $35,000,000, and yet when I look at the Bill which I hold in my hand, I confess I am unable to find a word to justify the statement that we are giving a subscription of $35,000,000 to Great Britain. The right hon. gentleman desired that we should have a Canadian navy. In the course of his remarks, whenever he came anywhere near the question before the House, it was to call the attention of the members to the fact that we desired a Canadian navy and before him is a Bill, a practical Bill, to establish a Canadian navy, which, it is true, in the meantime we will lend to the Motherland.

Sir WILFRID LAURIER: Hear, hear.

Mr. NORTHRUP: The question is therefore whether or not under the circumstances that is a wise thing to do. Let us appeal to the Admiralty. Surely hon. gentlemen cannot object if when the question has been raised and everyone desires to do what is right, we should ask for expert information and I venture to say there are few members of the House who would venture to claim that they had greater and wider and more varied experience than the lords of the Admiralty and therefore were better able to decide what was best for the purposes of the Admiralty than the lords of the Admiralty themselves. Let me read a few extracts from the memorandum, which is entitled 'Despatch from the Secretary of State for the Colonies to His Royal Highness the Governor General, transmitting memorandum prepared by the Board of Admiralty on the general naval situation and communicated to the Government of Canada by His Majesty's Government, November, 1912.'

So, surely if there is any authoritative document anywhere under the sun to which we should refer to get the facts necessary to enable us to form an intelligent opinion on this subject it must be this document. The first clause shows how they came to give this document:

1. The Prime Minister of the Dominion of Canada has invited His Majesty's Government through the Board of Admiralty to prepare a statement of the present and immediately prospective requirements of the naval defence of the Empire for presentation to the Canadian Parliament if the Dominion Cabinet deem it necessary.

The Admiralty set the greatest store by the important material and still more important moral assistance which it is within the power of Canada to give to maintaining British naval supremacy on the high seas, but they think it necessary to disclaim any intention, however indirect, of putting pressure upon Canadian public opinion, or of seeking to influence the Dominion Parliament in a decision which clearly belongs solely to Canada.

So, the question having been asked and the Admiralty having said: We understand the question is what is necessary for the naval defence of the Empire, we put no pressure on Canada, but give these facts:

The power of the British Empire to maintain the superiority on the sea, which is essential to its security, must obviously be measured from time to time by reference to the other naval forces of the world,——

And let this House not for a moment forget that that is the key to the situation.

--and such a comparison does not imply anything unfriendly in intention or in spirit to any other power or group of powers. From this point of view the development of the German fleet during the last fifteen years is the most striking feature of the naval situation to-day. That development has been authorized by five successive legislative enactments, viz., the Fleet Laws of 1898, 1900, 1906, 1908, and 1912. These laws cover the period up to 1920.

Whereas in 1898 the German fleet consisted of:—

9 battleships (excluding coast defence vessels),
3 large cruisers,
28 small cruisers,
113 torpedo boats, and
25,000 men

maintained at an annual cost of 6,000,000*l.*, the full fleet of 1920 will consist of:—

41 battleships,
20 large crusers,
40 small cruisers,
144 torpedo boats,
72 submarines, and
101,500 men,

estimated to be maintained at an annual cost of 23,000,000*l.*

The memorandum goes on:

The effect of the new German navy law is to produce a remarkable expansion of strength and readiness. The number of battleships and large armoured cruisers which will be kept constantly ready and in full commission will be raised by the law from 21, the present figure, to 33—an addition of 12, or an increase of about 57 per cent.

And on page 8:

It has been necessary within the past decade to concentrate the fleet mainly in home waters.

In 1902 there were 160 British vessels on the overseas stations against 76 to-day.

Whatever may be the decision of Canada at the present juncture, Great Britain will not in any circumstances fail in her duty to the overseas dominions of the Crown.

The Admiralty are assured that His Majesty's Government will not hesitate to ask the House of Commons for whatever provision the circumstances of each year may require. But the aid which Canada could give at the present time is not to be measured only in ships or money. Any action on the part of Canada to increase the power and mobility of the Imperial navy, and thus widen the margin of our common safety, would be recognized everywhere as a most significant witness to the united strength of the Empire, and to the renewed resolve of the overseas dominions to take their part in maintaining its integrity.

In view of all these considerations the Admiralty recommend:

The Prime Minister of the Dominion having inquired in what form any immediate aid that Canada might give would be most effective, we have no hesitation in answering after a prolonged consideration of all the circumstances that it is desirable that such aid should include the provision of a certain number of the largest and strongest ships of war which science can build or money supply.

Mr. Speaker, as I take it, the Government come before this House and, laying on the table this memorandum, say: We have honestly endeavoured to carry out the wishes of the Admiralty and, in so doing, we ask the Canadian people to give $35,000,000 to be expended in the construction of three dreadnoughts which will be the property of the Canadian people but which will be handed over to the Imperial authorities to be used for the purposes of the Admiralty and which may be recalled at any time should the Canadian people so decide. Whatever may be thought of the wisdom of the course adopted by the Government, whether right or wrong, whether wise or foolish, we must all admit that the policy of the present Administration is to carry out what they were asked to carry out by His Majesty's ministers in the Old Country.

There seems to be such an extraordinary difference of opinion among the members of this House on the question of fact that I venture to recall to the memory of hon. gentleman a few matters with regard to which I think we will all agree as to matters of fact. In the first place, I venture to affirm that, no matter what we may do or say, the fact remains that war is on and has been on for a year past between Great Britain and Germany. The fact is that war is on and has beeen on since the German Act of 1912 was passed. We may have two kinds of war—physical war and diplomatic war. Whatever one may think of the fiscal policy of free trade, it is perfectly certain that when you come to the question of the diplomatic war, the absence of a protective tariff, the absence of the possibility of making terms with other nations whereby advantages may be secured by giving concessions in return, tremendously handicaps

the Motherland in her diplomatic policy. When we come to physical war, while we may approve of the rule that has been laid down and practised by the Mother Country that conscription should not prevail, and while we would be unwilling to have conscription in this country, at the same time, when the strugggle comes, the people who will tolerate conscription are much better off than the people who will not. So again the Motherland is handicapped not only by her fiscal policy, being unable to make trade treaties, but by the fact that conscription, whether it be right or wrong, does not exist within its domains. At the present time we find the one hundred and seventy-six ships of ten years ago reduced to sixty. What is the practical result in the Mediterranean where war is going on? We have France, Italy, Spain each one of which nation has acquired a portion of an empire on the southwestern shores of the Mediterranean, and in acquiring a portion of an empire on the shores of the Mediterranean these nations must of necessity be on good terms with the power that commands the Mediterranean sea. A few years ago our flag floated supreme on the Mediterranean. I can remember one day sailing into Gibraltar, how my heart swelled with pride when I looked upon the magnificent fleet lying there in defence of our commerce; to-day that fleet has been withdrawn practically from the Mediterranean. Italy and Austria are building vessels, while, on the contrary, England is withdrawing her vessels and I would like to ask any hon. member if at the late conference held in London in the endeavour to settle affairs in connection with this important war which has lately been raging, the power, the strength and the influence of Great Britain were more or less because of the fact that her fleet had been withdrawn from the Mediterranean. If she is in command of the Mediterranean then those powers which have overseas possessions in Africa must be on good terms with her. It is not only on the Mediterranean, but with respect to diplomatic questions that arise in Europe, France, Spain, Austria and Italy are all bound to be on good terms with the power that controls the Mediterranean and if they cannot afford to quarrel with that power the very withdrawal of these vessels from the Mediterranean has affected the Old Country already.

At six o'clock, House took recess.

After Recess.

House resumed at eight o'clock.

Mr. NORTHRUP: When you left the chair, at six o'clock Mr. Speaker, I was calling the attention of the House to the actual situation of the British navy at the present time. I pointed out that whereas a few years ago it was supreme on the Mediterranean, now it was almost non-existent, and that in a very short time with the new dreadnoughts that are being built by Italy and Austria, British naval power in the Mediterranean would be wholly a thing of the past. I pointed out that France, Spain and Italy have all added to their empires on the southwest side of the Mediterranean, and that therefore they are to a great extent under the control of the power which has the supremacy on the Mediterranean, and if Great Britain possessed that power in the future, as she has in the past, but does not at the present time, no matter what diplomatic embarrassments might arise on the continent of Europe, France Spain and Italy would be very much interested in keeping on the right side of Great Britain lest she would interfere with their own empires divided into two by the Mediterranean. I might also have gone on to point out that at the present time a large portion, practically almost half of the foreign wheat sent to Great Britain goes by the Mediterranean, £32,000,000 worth going by that route and £35,000,000 worth by all other routes. Therefore it is most important that Great Britain should have control over the route through which passes half of her life supply. It is well known that Germany is building a railway in Asia Minor, the Bagdad railway which must ere long reach the Persian gulf, and it is almost certain that when it reaches the Persian gulf, it will be extended to India. One has only to consider for a moment the position of Great Britain in India to-day with 200,000,000 of a population with the only route by sea by the Suez canal, to realize the value of retaining the supremacy of the Mediterranean. Consider the position of Great Britain a few years hence if the supremacy of Great Britain in the Mediterranean is gone and the Germany railway is completed. We must not forget the influence that Germany had at Constantinople, and the railway is controlled by Germans, financed by Germans and entirely managed by Germans. Then we must remember that Great Britain has great responsibilities in Egypt. Anyone acquainted with that country must recognize that it is simply a question of continuing British power, not only with the aid of British troops and native troops, but especially of her maritime supremacy, and that without this maritime supremacy she could not hold control for a moment. The name of Lord Kitchener is in itself a tower of strength to the supremacy of Great Britain which has been recognized for many years, controlling trade and enabling the poor people to live under better conditions than previously prevailed. Those who have been in that country and have heard, as I have heard, Egyptians tell

how their lives and families and property, which formerly were not worth a moment's purchase, are now safe, would hardly believe that the same men are pouring out curses at being ruled by infidel dogs. No Sir, one need only point out if trouble comes in Egypt, and Britain loses control of the Mediterranean to realize what a parlous condition England would be in. How is British commerce between India and Great Britain to be carried on safe by the sea and the Suez canal, through the Mediterranean and up the Red Sea? And we all know apart from other difficulties that if the cotton supply from India was stopped for a few months, the starvation among the cotton operatives of England would be terrible.

Look at it from another light. Looking the matter fairly and frankly in the face, let us see who control the sea route between Great Britain and India. France happily is an ally of Great Britain, but France controls the route to the Suez canal and at the other end of the canal the route to India is controlled by Japan. Luckily Japan is also an ally of Great Britain, but unquestionably the Japanese navy controls that route. Then take the route from Great Britain to Australia. Who controls that route? France at one end, Japan at the other; there is not the slightest question about it. And if by unhappy chance the alliance between Great Britain and Japan were broken to-morrow, and the Japanese were to endeavour to attack Australia as they attacked Russia but a few years ago, I do not think one requires to be a prophet or the son of a prophet to predict what would be the fate of Australia. Who controls the route between Great Britain and Canada at the present time? On one side France on the Atlantic and to the Suez canal, and at the other end the Japanese and American fleets. So that whereas a few years ago Great Britain was unquestionably the mistress of the seas, to-day, owing to the fact that while her navy is far superior to the navy of any other power, her great fighting ships are massed, for some reason or other in the North sea, and her ships have been withdrawn from the Mediterranean, she does not control the routes and does not possess the influence that she did a few years ago. Speaking for myself, if more than three dreadnoughts were needed, though three are understood to be sufficient, I would say we were quite prepared to give more. That would be my own preference, but taking it as it is, if those three of the greatest fighting machines in the world are added to the fleet in the North sea, one can easily see two advantages, first the material, and then the moral, which has been so much emphasized in the memorandum of the Admiralty.

But supposing we had a fleet unit on the Atlantic and another unit on the Pacific, with one dreadnought to each and two or three of the smaller vessels, cruisers and submarines, I would like to ask any hon. member of this House, after frankly considering the question, by what manner of means could these two dreadnoughts affect the control of say the Mediterranean? I have mentioned a great many serious difficulties that may possibly confront the Empire from that region; in what conceivable way could these two units affect Great Britain's position in the Mediterranean? Then I spoke of her position in regard to India. Will any one tell me how those two units could affect that? Take her position in regard to the control of the routes to Australia. In what possible way could those units affect those routes? Looking at the matter frankly, trying to consider it without partiality for one plan or the other, trying to see which would best serve the interests of the Empire, and laying aside party political prejudices I fail to see how you are strengthening the forces of the Empire or helping the Mother Country. I was very much struck by a few words uttered by Mr. Winston Churchill in a speech a short time ago which seemed to put the position of Great Britain so clearly that I will take the liberty of reading them to the House. He was speaking at a banquet at Glasgow on February 9, last and he said:

> The whole fortunes of our race and Empire, the whole treasure accumulated during so many centuries sacrifice and achievement, would perish and be swept utterly away if our naval supremacy were to be impaired.

Is not that a fact? In introducing the navy estimates on March 18, last, he said:

> When we consider our naval strength we are not thinking of our commerce, but of our freedom. We are not thinking of our trade, but of our lives. Nothing, of course, can make us absolutely safe against combinations which the imagination can summon up. We have faced combinations over and over again in the past, and sometimes heavy odds, but we must never conduct our affairs so that the navy of any single power would be able to engage us at any single moment—even our least favourable moment—with any reasonable prospect of success. If this is insular arrogance, it is also the first condition of our existence.

The speaker this afternoon spent considerable time in pointing out the alleged inconsistencies of the right hon. gentleman who leads the Government. I could not help being reminded of the old story of Nero fiddling while Rome burned, when at such a time as this the right hon. gentleman who leads the Opposition and his followers, say what they will, have frankly and publicly admitted that there is a something, be it an emergency, a crisis or a peril, I care not what they call it; but there must be a something, because the right hon. gentleman and his followers are willing to double the estimates they were willing to

pass a few years ago, and willing, I say it in justice to the right hon. gentleman and hon. members opposite, to spend a far larger sum than is asked for at the present time by the Government; and yet their uppermost idea seems to be the consistency or inconsistency of the Premier of this country. I congratulate the right hon. gentleman and the country on the fact that hon. gentlemen opposite are willing to spend about $45,000,000 on and millions more for the upkeep of what they have pointed out as being the best way of meeting the peril. It shows that whatever conclusion we may arrive at, it will not be miserly; it will not be niggardly; it is a difference of opinion as to what should be done. If that be the case, there must be some way in which we can come together; and before I finish, I will take the liberty of suggesting a compromise which I think will not effect the honour or standing of either party or in any way compromise it with the public.

I have said so much of the position that exists at the present time. Let me add one more word to show why this position is as it is. When the hon. gentleman this afternoon was pointing out the alleged inconsistensy of the right hon. gentleman who leads the Government, I could not help but suspect that he would not have spent the time of the House in so doing, had he been aware that all the conditions are entirely changed since that time. A man might have been willing to do anything under the sun in 1909 and 1910 as far as this country and Great Britain were concerned, and he absolutely correct in what he did. The same man advocating the same course to-day might be considered an idiot by everybody in this country and in the whole world, simply because conditions have so changed. A few years ago, as the memorandum which I read this evening from the Admiralty shows, the German navy was a practically insignificant navy, one of the weakest among the great powers of the world; to-day it is the greatest navy in the world bar one, and by 1920 it will be a far greater navy than the British navy is to-day. In considering the figures in regard to the ships of these two nations, we must never forget that nothing after all is so fallacious as figures. We read about so many vessels in the British line and so many in the German line. We all know in a general way that these vessels are growing obsolete; but we forget that the British vessels are growing obsolete, at a very much greater rate than German vessels, because there are so many more of them. Therefore, more British vessels must go to the scrap heap than German vessels in the same time. When the German Naval Act was passed in 1912, it was but the culmination of a series of Acts, the Act of 1898, the Act of 1900, the Act of 1906 and the Act of 1912. Each one provided for an increase in the German navy. Great Britain, owing to reasons pointed out frankly by Mr. Asquith in the British House of Commons, in order to save money so as to be able to pay the old age pensions, for a time refrained from building ships as rapidly as she had been doing, and Germany caught up. Even that was not a matter of such tremendous importance, until this German Naval Act was passed, which provided not only for a very large increase in expenditure, but for the keeping, twelve months in the year, day and night, 365 days and a quarter every year, the bulk of the German navy ready for action. My hon. friend this afternoon thought it would be a very easy matter, in case war was declared, if we had a fleet unit on the Atlantic and one on the Pacific, for us to go to the assistance of Great Britain. He seemed to think that a wire would be sent by the Kaiser, six or seven days before he went to war, stating when and where he was going to strike. He forgets that that is not the way in which war is declared by Germany. History tells us that when Germany gets ready to strike, she strikes first and explains afterwards. At the present time, the condition of both the German and the British navies is such that for a large portion of the year the crews are allowed to go on shore, ships are allowed to be out of commission, and men are exchanged from one vessel to another. Now one clause in the German Naval Act requires that three-fourths of the German navy shall be ready for action at all times and that navy is within a few hundred miles of England ready to strike. That is enough to show a very wide difference between the state of affairs in the year 1913 and the state of affairs in the year 1910. What I am going to mention now is a strange thing, and I only mention it because it is commented on in many books in the Old Country, to show that it is important that something be done. Germany has nine dry-docks for her dreadnoughts along the Baltic on the North sea; Great Britain has one which is nearly but not yet completed, so that to all practical intents and purposes she has none. Is it not a striking fact that the British naval estimates for last year are about $100,000,000 more than they were ten years ago, especially at this time when the Government of Great Britain is assuming so many new obligations and is endeavouring to do so much for the poorer classes and doing so much to alleviate the distress from which they are suffering, and when Great Britain requires the money so badly for that purpose, as I said a moment ago, that she decreased the number of dreadnoughts she built for some years. In this year of grace 1913, the esti

mates came to some £45,000,000, about $240,000,000. I venture to think that if members of this House would consider such striking facts as these, they would come to the conclusion that it is indeed time that something should be done. As I said before, what is the best thing to be done? Hon. gentlemen opposite differ from us to a great extent, because we differ as to our facts. I should like to take up the time of the House for a few moments in mentioning what I consider are facts, which apparently are not considered facts by some hon. gentlemen opposite. It has been said again and again in this debate; it is said by almost every newspaper we read in opposition to the Government, that Great Britain is a rich country; and it is stated that she has billions of money invested all over the world, and, therefore, she has no use for a contribution of a few dreadnoughts. Supposing that Messrs. Rockefeller and Carnegie and the twenty-three gentlemen, who were advertised in Canadian papers as controlling the finances of Canada, went to Greenland would we be justified in saying that Greenland was a rich country on that account? Twenty-five rich men might be an improvement to that country; some would think they might be the contrary; but would that make Greenland a rich country? Is England as a matter of fact a rich country to-day? It is perfectly true that Englishmen have billions of dollars loaned out and that an immense wealth is held by wealthy Englishmen. If those wealthy Englishmen could be made to bear the strain of all this expense, I do not think any person would be very badly off. For illustration, Great Britain has an area of 77,000,000 of acres altogether, and 1,700 people own over 14,000,000 acres. There are 7,000,000 men whose weekly wages run from 9·3 shillings to 27 shillings a week. I have here a statement showing the following:

Textile trades, 482,000 men, 23s. 1d. per week.
Clothing trade, 114,000 men, 30s. 3d.
Building and wood-working trades, 1,200,000 men, 32s.
Metal engineers 1,100,000 men, 33s. 11d.
Public utilities—Gas works &c., 2,684,000 men, 28s. 1d.
Railway workers, 621,341 men, 25s.
Agricultural labourers (all allowances included) from 9s. 3d. to 20s. 9d.

It is these people, it seems to me, who have to bear the burden of this expense. If the expenses of the navy run up $100,000,000 in ten years and are this year over $240,000,000 spent, the 1,700 land owners to whom I have referred are not seriously hurt; but every penny which falls upon the man who is earning twenty-five shillings a week, is a very serious burden. And when we consider that in addition the reports show that the workers are out of employment ten, twenty, or thirty per cent of the time, a heavy tax must be this which raises the large amount of $240,000,000. And when we know that whatever we may think of the fiscal laws of Great Britain, as a matter of fact, she collects $370,000,000 or so from what the people eat, drink and smoke, and, whether we call it free trade or not, we know that it is the people who eat, drink and smoke—the poor as well as the rich—we see the burden that this heavy tax must impose on the ordinary man.

It is easy to speak of England as being a rich country. But 31,000,000 out of 45,000,000 own not a foot of land, while millions and millions are on the verge of starvation. We cannot leave these poor people out of account as to where the burden is to rest. And, while the people of Britain have borne the burden in the past, and while the ministry of the day say that they are prepared, if necessary, to bear the expense still, it seems to me that if we are a sister nation owing allegiance to a common king, with our boundless wealth, we must say to our fellow Britons: You are burdened for the common good; if these dreadnoughts are not supplied, you will have to supply them—because there must be the preponderance over Germany or the Empire goes to pieces; and we should not hesitate to give three or more dreadnoughts to maintain the supremacy upon the seas upon which the very existence of our Empire depends.

It has been said again and again that we owe nothing to England. I have been surprised to hear that statement made, and it has been made very frequently. The hon. gentleman who represents Sunbury and Queens (Mr. McLean) the other night made what was, to my mind, one of the most magnificent patriotic speeches ever delivered in this House. He put the explanation of his position on the ground that he desired to do his duty. Sir, I do not think a higher ground than that could be taken by any man. While I was thinking over his remarks, it seemed to me that, from my own standpoint, I was not actuated wholly by a desire to do my duty. In this case as in most cases I think there are more factors than one that influence one's actions. One person is influenced more by one consideration and another by another. In my case, loyalty would not be the only factor, but it is a large one. Gratitude, in my case, might not be sufficient to decide, but it is a large factor and duty is a large factor, but that is not the only one. I am not sure but that my sense of self-respect is the one that influences me more than anything else. As to this idea that we owe nothing to England, I may be pardoned if I take a moment to consider it. England, after a long and bloody war entered into the treaty of Utrecht in 1713,

under which she was given Newfoundland, Nova Scotia and Labrador. We have not Newfoundland, but we have Nova Scotia and we hope yet that Newfoundland, the sentinel of the gulf, will join our fair Dominion. And we know that we shall pay exactly the same price for her as for all the other territories we have acquired. The treaty of 1763 gave Canada to the British Crown as she is to-day. Subsequent treaties were made, and even the right hon. gentleman who leads the Opposition is a little behind in his knowledge of the treaties, the Ashburton treaty, the Oregon treaty and others—the result being, however it came about, that Great Britain did own from the Atlantic to the Pacific. And all this she handed over to us without a cent being paid. Surely we owe something to Great Britain for that. I think that the ancestors of the right hon. gentleman were in this country when the cession came in 1759, and I think that if they could be called into the witness box to-day, they would testify that they enjoyed a higher degree of liberty from 1759 forward than they had enjoyed under their own sovereign. We in the other provinces had our own difficulties. But it is not fair for us, in the light of modern liberty, to find fault because, a century ago, when we were in the enjoyment of as large a measure of liberty as any other people in the world—similarly situated—and larger—we had not then the full measure of freedom that we have to-day. Take us as we sit here in this chamber and consider the absolute liberty we possess. But think of the contrast of to-day with even a few years ago. In 1887 the first colonial conference was summoned. The colonies were told to send one of their ministers if that could be done handily, but if not, any prominent colonist who happened to be in London might go to the office of the Colonial Secretary to talk over affairs. And so, like little boys, the colonists turned up at the feet of the Colonial Secretary and made their suggestions. Think of the contrast between that and the last Imperial conference with the Prime Minister of Great Britain standing in Parliament and speaking of the sister kingdoms, that, in comparison with the Mother Country 'differ only in stature and not in status.' That is the status we occupy to-day. And surely, if we possess this magnificent heritage we owe something for it,—the richest country upon which the sun shines, with our fisheries and our mines and our forests and our wealth of mountains and prairies, wealth all given by the Motherland for which we never paid a cent, and possessing, too, the fullest measure of liberty,—for everyone knows that if we requested the Old Country to let us throw in our lot with the United States or with Japan or with any other land, however regretfully she might see the tie severed, there would be no opposition on her part. Could there be more perfect liberty given than that which we enjoy from the Motherland?

I have spoken of the Ashburton and Oregon treaties, and I may be pardoned if I dwell for a moment on that subject. Because the right hon. gentleman (Sir Wilfrid Laurier) has expressed dissatisfaction with the conduct of British diplomats in reference to these matters. I do not wonder at it, for though he is a scholar, yet for the last fifteen or seventeen years he has had more to do than keep in touch with the modern discoveries of history. A man ruling a country as broad and growing as rapidly as the Dominion of Canada has all his time taken up in the discharge of the duties of his high office. But nobody who has not read the recent discoveries of history in the last few years knows the truth of the Ashburton and Oregon treaties. If anyone has any curiosity on the subject, let him read the account given by Professor Ganong of New Brunswick in the Royal Society Archives in 1901. Professor Ganong wrote perhaps the fullest and best account of the Ashburton treaty that has been written. He shows that, although Great Britain and the United States had referred the question as to the boundaries to the King of Holland, and although Lord Palmerston, on the floor of the Parliament of Great Britain and Lord Aberdeen in a public letter, had called attention to the fact that the King of Holland was under such obligations to Great Britain that the people need not be under the slightest anxiety that justice would be done to Britain's claim; yet when the King of Holland gave the award he gave Canada only 4,100 square miles of the disputed territory. The award was promptly repudiated by the United States, and, when year had followed year, and threat had followed threat, war at last broke out; the State of Maine had called out its militia, and the United States Congress had voted $10,000,000 for the purposes of war. Men had been arrested on both sides. Lord Ashburton was sent out and made his treaty, with the result that instead of an award of 4,100 square miles, which the Americans repudiated when given by the King of Holland, the treaty gave us 5,000 square miles. If there could be any possibility of doubt as to how Lord Ashburton succeeded, it was certainly settled when in 1848 the surveyors of New Brunswick and Quebec went out in a friendly way to decide the location of the boundaries of these two provinces, and they reported that there was a large tract of country—over 500 square miles—which did not belong to either province, and which had been gained by the Ashburton treaty. In

later days it has been learned that if there was any duplicity, it was rather on the other side, and the map that hung in King George's library, with the red line marked in his own handwriting, was not produced. I think there is not the slightest doubt that we received many advantages under the Ashburton treaty. With respect to the Oregon treaty, I think we do not all realize that the only reason why we have a Northwest or a British Columbia at all is because Great Britain stood by us in connection with the Oregon treaty. Some hon. gentlemen of this House may not be aware that when the Lynn Bill was passed by the United States Senate in 1843, providing for the erection of forts, for the administration of justice by American judges, and for grants of land for settlers in the far West, Lord Palmerston at once notified them that if they passed that Act it would be taken by Great Britain as a declaration of war. The Act passed the Senate, went into the House of Representatives, and has not emerged since. Subsequently, when matters were again on the verge of war, it was only because our American friends found that it was a case of fight or settle that we obtained what we have to-day. Although we hear this described as the Oregon treaty, we must remember that Oregon was described as extending from the south up to 54·40, the lower line of Alaska; so that if the Americans wanted, as they said, 54·40 or fight, all of Canada you would have left would be what was between 54 40, the south boundary of Alaska, and 54·40, the north boundary of the United States. When we come to consider what we owe to Great Britain, we should remember that her diplomatic services have been entirely at our command at any time we required them. Although it is said that this country may be invaded on account of our connection with Great Britain, we must not forget that when Canada was invaded by Americans in 1775, and again in 1812, although the inhabitants fought nobly and heroically for their country, after all, in all human probability, both invasions would have succeeded, had it not been for the presence of the Imperial troops in Canada at that time. We must not forget that after this country had been conquered in 1759, there were very few people in England who desired to retain Canada. France wanted to regain it, very few Englishmen wished to keep it; but one far-seeing Englishman, William Pitt, preferred to keep Canada, then considered but as a few arpents of snow, with a trade of £14,000 in pelts, as against Guadeloupe, with an annual trade of six or seven hundred thousand pounds in sugar, cotton, and tobacco, which England, at that time, wanted. It seemed monstrously foolish to take this frozen land, with its £14,000 of annual trade, and abandon Guadeloupe, with its enormous productive capacities. Yet England gave Guadeloupe over to France and kept Canada, practically paying the difference between £14,000 a year, and six or seven hundred thousand pounds, in order that she might have possession of this country. Since those times, England has spent more money on Canada. I have here some authentic figures, compiled from a statement sent out from the War Office and I find that from 1852 to 1902, fifty years of peace, $85,000,000 was spent in this country on military affairs. Taking this as a basis for the one hundred and fifty years would give $170,000,000 though it would really be much higher, for these were fifty years of peace, and there had been many years of war during the period of one hundred years. The expenditure in connection with canals amounted to $81,000,000, and improvements to $56,000,000. There is another item to which I would direct the attention of the right hon. gentleman who leads the Opposition. No one can sail up the St. Lawrence and see the beautiful city of Quebec, resting like a queen on the heights, without being impressed by the magnificent walls and citadel that crown the summit. These walls and that citadel were built by English money, paid for by the classes to whom I have referred a few moments ago, and in the construction of the walls and citadel in Quebec between the years 1820 and 1829, £7,000,000—$35,000,000—were spent. So, if we are to eliminate everything else at the present time, the Government is asking us to expend in dreadnoughts, for the maintenance and preservation of the British Empire, only such an amount of money as the English Government spent on the walls and citadel of Quebec nearly one hundred years ago. Adding up these various items, they come to $427,000,000, and they do not include the forts in Toronto, Point Lévis, Halifax, Kingston, Montreal, St. John, and other places.

The Minister of Marine and Fisheries, in his exhaustive speech the other evening, gave us some figures which I take the liberty of quoting, in order that I may be enabled to make as full an estimate as possible. The amount spent on the navy on the North American and North Pacific oceans for the years 1851 to 1861, was $21,000,000; 1861 to 1871, $27,000,000; 1871 to 1881, $19,000,000; 1881 to 1891, $19,000,000; 1891 to 1901, $23,000,000; a total of $109,000,000, or in round numbers, $110,000,000. These figures have, of course, no relation to the first charges for the training of those on board, and expenses of that nature.

As to our commerce, I may say that Canadian commerce runs to some 718,000 tons a year, amounting last year, if I remember rightly, to over $400,000,000. This magnificent commerce has been protected, without

any expense to us, by the British navy. That commerce is scattered all over the world, and hon. gentlemen should pause and consider for a moment what its protection means. A fleet unit off Vancouver, or Victoria, and another off Halifax would be of little value for the protection of our commerce which sails in every sea. I am afraid that, as a mere matter of insurance alone, it would be found to have paid us better to have stayed with the old company and contributed our funds into its coffers. I might also say that when the troops were withdrawn from this country in 1872 they handed over to the Canadian authorities £79,891 worth of arms and subsequently £111,867 worth, of barracks, forts and other buildings, £698,880 worth, making £890,638 which they handed over at that time. Having said this much of what we owe to Great Britain and what she has done for us I would add a few words from the speech of the hon. member for Sunbury and Queens (Mr. McLean) who, taking up the subject in much more eloquent language than I could possibly use, added another couple of items to the account.

3. When Canada needed roads, canals, and bridges in the early days, British money supplied them.

4. For half a century the Indians required yearly gifts of money, which was provided by Great Britain.

5. Our churches wanted vast sums for relief work, and British societies contributed hundreds of thousands of dollars during the nineteenth century.

6. If railways, such as the Intercolonial and the Grand Trunk had to be constructed, Britain sent us the necessary money.

In recent years countless enterprises have been financed in London, until the present total is over one billion, five hundred millions. When we wanted the money to construct the Canadian Pacific railway, the Grand Trunk, the Transcontinental or the Canadian Northern railways, we went to England. Do you think that this money could have been obtained by a small nation not under the British flag, and not having British power and stability to guarantee its position?

Having said so much as to what the British Empire has done for Canada, might I ask frankly what has Canada done for Great Britain?—and I think I would pause for an answer. I do not wish to-night, for I am anxious to make a most conciliatory speech because I feel the matter is of too tremendous importance for anyone to endeavour to make political capital out of it, but, speaking frankly, I think that the Government of the right hon. gentleman did not rise to the occasion as they should have done at the time of the South African war, when the right hon. gentleman gave the famous interview of the 3rd October, in which he said that the Government had not considered the sending of troops. I find no fault with them for that, I think the Government of Sir John Macdonald at an earlier date had erred in the same way. It is easy for us now to find fault with those who, in the old days, had their own troubles, in a rapidly growing country, by no means as prosperous as Canada is to-day, because they did not do as we would wish they had done. At the same time, while one regrets that something had not been done by this country one at least has this satisfaction that whatever might be the conduct of the country as a country at the various times when she was called upon, the Canadian as a Canadian rose to the occasion every time, the people were superior to their Government. Looking over the pages of history one's blood rather burns within him when he reads the account of the days when Napoléon gathered a mighty flotilla to invade England one hundred years ago. when the bravest heart quailed and no one knew at what hour a flotilla would come to the coast of Great Britain. We all know how a gallant band of ships under a certain commander first sent in their fire-ships among the enemy and dashed to the attack, routing the flotilla and that commander was Captain Owens, later Sir Cuneliffe Owens, a Nova Scotian. We cannot read the pages of history without being struck by the heroic defence of Kars. All writers agree that Kars was one of the most extraordinary defences in history, and the commander of the British forces there was Sir Fenwick Williams, a Canadian. When we look at the dark days of the Indian mutiny, there are very few gleams of light, but perhaps the brightest of all was the defence of Lucknow, for eighty long days—and the commander there was General Inglis, a Canadian. When we read the account of the dash at Balaclava, the charge of the Light Brigade, when

> Cannon to right of them,
> Cannon to left of them,
> Cannon in front of them
> Volleyed and thundered;
> * * * *
> Then they rode back, but not—
> Not the six hundred

we are proud to remember that at the head of his troop rode Captain Dunn, a Toronto boy, later commander of the 100th Light Horse. And the day when Sebastapol was taken, the man who led the assault, and was the first in the Redan was Major Wellsford, a Canadian, and by his side fell Captain Parker, two more Canadians.

In these later days we have the satisfaction of knowing that Canadians have taken their part. When Stanley led his great expedition in search of Livingstone, his first lieutenant was Stairs of Halifax. We remember how proud we were at the genius of Sir Percy Girouard, as a distinguished engineer assisting the troops in Africa. And away to the northwest of India there

is a small fort which holds control of that district, and it was built by Duff and Nanton, two Royal Military College graduates from Kingston. So on the pages of history, whatever Canada as a nation may have done, the individual Canadian has been willing to do his part. And we are most of all proud, irrespective of party, that to-day in the mother of parliaments we have Parker, and McMaster and Baker and Greenwood, without pretending to enumerate all, and we have at the head of one of the great parties there a man prepared to fight for what he believes to be true imperialism, the true binding together of the sister kingdoms, Bonar Law, a Canadian. So I think I am justified in saying that even if our government has not always risen to the occasion as should, the spirit of the Canadian has always risen above the spirit of the government. I happened the other day to come across a book in the library showing the subscriptions sent at the time of the Crimean war, thousands of pounds were sent, and apart altogether from the £20,000 sent by the Legislature of Canada and the £4,000 by the Legislature of New Brunswick and the £4,000 by the Legislature of Nova Scotia and the £2,000 by the Legislature of Prince Edward Island, when one reads letter after letter acknowledging £1,000 from Hamilton, £2,500 from Toronto, £500 from Kingston, £1,600 from Quebec, running along the list one could not but feel that after the war over there was a spirit in this country even in those early days which showed that the spirit of our ancestors was still alive in the people of Canada. If that has been the spirit of Canada and of Canadians in the past, now, in 1913, when the most momentous epoch in the history of the British Empire is at hand, for surely that must be the case when we find that the Motherland has withdrawn her ships from every sea, practically, and is expending one hundred million dollars more than a few years ago, when we find all her ships massed in one little place on the northeast coast of England, that should be enough to satisfy us that there must be something, call it an emergency, a crisis, a peril, a need or what you will; then if any one of us were perfectly certain in his own mind that this, that or the other was the best remedy for this direful state of affairs, when the Admiralty has said: What we would like most, what is best in the interests of the Empire both morally and materially is to give us a few dreadnoughts, what man would dare take the responsibility of saying to the Admiralty: You are wrong and I am right. It would seem to me that if my own feeelings were entirely in favour of a Canadian unit, if I were satisfied in my own mind that was the wisest and most proper course, I would still feel that I would be afraid before my King and my God to take the responsibility when the Admiralty authorities had asked for something else, of insisting on having my way, which way might mean the destruction of this Empire. I quite agree that the views of my right hon. friend the leader of the Opposition are based on the same principles as those of my right hon. friend who leads the Government and that he desires to do what is proper in a spirit of loyalty and devotion to the Empire. I would appeal to him to reconsider the amendment that he laid before the House when this question first arose before the House. If the right hon. gentleman would calmly read over that amendment he would come to the conclusion that this is a proper time to reconsider the position that he has taken. Let me point out why. I only refer to the amendment because I assume that hon. gentlemen, when they voted for it a short time ago, were actuated by the same feelings and spirit of loyalty and devotion to the Empire and, therefore, upon that assumption I would direct the attention of my right hon. friend to something that I am sure he overlooked in his own amendment. His amendment gave certain alleged facts and from these alleged facts a presumably logical conclusion is drawn. Let us see what the alleged facts are and let us see whether or not, as a matter of fact, on the face of the amendment itself, they are really facts or amusing fictions. I read as follows:

The memorandum prepared by the Board of Admiralty on the general naval question of the Empire and communicated to this House by the right hon. the Prime Minister on December 5th shows that several of the most important of the foreign powers have adopted a definite policy of rapidly increasing their naval strength.

Perfectly true.

That this condition has compelled the United Kingdom to concentrate its naval forces in home waters involving the withdrawal of ships from the outlying portions of the Empire.

That is to say that because Germany, Italy and Austria are building dreadnoughts, therefore Great Britain is going to get her dreadnoughts out of the way of Italy and Austria by concentrating them on the German ocean. I think that the right hon. gentleman will admit that Great Britain is not concentrating her ships on the German ocean because Austria or Italy is building dreadnoughts and therefore, when he came to draw up this amendment, he lost sight of the fact that when Great Britain withdrew her ships from the Mediterranean they were not withdrawn because Austria and Italy were building ships. They were withdrawn simply and solely because

Germany was building ships. This amendment goes on:

That such withdrawal renders it necessary that Canada without further delay should enter actively upon a permanent policy of naval defence.

I would like to point out that, if the present state of affairs between Great Britain and Germany were to continue forever, we would be wise to enter upon a policy of permanent naval defence, but let us hope and trust that the day may not be far distant when this tension between these two nations will be relieved in some way. Then will be the time for us to decide upon a naval policy. The wisest man in the world is unable to decide to-day as to what this naval policy should be simply because no man can tell what the outcome of this tension will be. If Canada and all the overseas dominions rally to the side of the Motherland and contribute money enough to ensure her supremacy there is no doubt what the result will be and then we can make our arrangements on that basis. It we, by dividing our efforts, should allow Great Britain, some unhappy day, to be overcome by the German fleet it is quite possible that we will not be interested in this question of a navy in Canada for some time to come.

Suppose we had our unit equipped and manned on the Atlantic ocean, against whom would we have it? Let us calmly and quietly consider this question. Supposing we had this dreadnought, cruisers, submarines, against whom will they protect us? Not against the United States, because one dreadnought could not protect us against the naval strength of the United States. Against Germany? One dreadnought could not protect us against Germany if her fleet should happen to smash the British fleet and cross the Atlantic. Then, on the Pacific, against whom would we be protected? To send one dreadnought against the Japanese navy on the Pacific would be wicked. Would it not be far easier for us to so uphold the hands of the Motherland that other nations would love to be in alliance with her and would fear to be her foes? Surely we would have the same defence from her in the future that we have had in the past.

I do not wish to take up the time of the House; I have spoken at greater length than I had intended. May I not finish by making a suggestion also in perfectly good faith and not with any desire to obtain a political advantage? We all agree that the circumstances are extraordinary and therefore can we not go further and agree to this? The Government has asked for $35,000,000 for three dreadnoughts which are to be handed over to the Imperial authorities on such terms as may be agreed upon and which it is understood will be given back to Canada upon due notice being given at any time hereafter when they are wanted. Hon. gentlemen opposite, as I said before, have shown that they are not governed by niggardliness, that they are not miserly because they have told us that they are willing that we should go as high as $45,000,000. All credit to hon. gentlemen opposite for being willing to expend that much money. Can we not agree upon this? Let the Government come up and say: We will give three dreadnoughts, and we will do what we can to have them manned by Canadians. We will be only too glad if we can get Canadians to man them but until we do get Canadians we will pay for the men who take their places. That will meet the views of hon. gentlemen opposite because they wish to pay Canadians to man the ships. Everybody wants a permanent policy; there is no doubt about that and the only difference is as to the propriety of the time at which this permanent policy should be inaugurated. Could we not establish a temporary policy that would meet the views of the Admiralty? If we establish this as a policy we could place these three dreadnoughts at the service of Great Britain. We hope that more will not be required, that within a short time this tension will have passed away and that Great Britain and Germany will be the best friends in the world. But if this tension does not pass away and it is found that a few years later the same necessity exists as exists to-day we here and now give notice to the world that Canada is in this fight to the finish. We have more resources than any other country; a kind heaven and a good mother have given us this country with the greatest natural resources in the world. With the response which our example would call forth from Australia, New Zealand and South Africa there is not the slightest doubt that these other overseas dominions would be only too glad to follow in our wake. We hope that three dreadnoughts will be sufficient for all practical purposes. In the meantime we give $35,000,000 in dreadnoughts which we loan to the Old Country, we serve notice on the world that we are in this fight to stay and if this tension is not removed we stand ready to supply three dreadnoughts or ten dreadnoughts or whatever number may be necessary. If the two sides could possibly agree there would be no possibility of any kudos to one side or the other and no cause for casting any reflection upon either side and we would be presenting the most beautiful spectacle to the world of the Parliament of this Dominion setting an example of perfect unanimity by complying with the wishes of the Admiralty and by giving every moral as well as material assistance that it is within our power to give. Then, I believe that, instead of any questions being raised between parties as to the

motives with which an air, is sung in this House we could, after unanimously passing a Bill which would prove to the world that at last Canada the greatest of the overseas dominions, had taken its proper place by the side of the Motherland, determined to keep the old flag in the future as in the past, supreme on the seas, we could raise the rafters of this Chamber as we rose and unitedly sang 'The Maple Leaf Forever,' followed by 'God Save the King.'

Mr. W. M. GERMAN (Welland): Mr. Speaker, it has been a source of amusement to me during the whole course of the discussion in connection with these navy problems to see with what energy, determination and eloquence hon. gentlemen opposite have struggled, in season and out of season, to establish that England was in great danger, that it was a broken-down country.

Some hon. MEMBERS: Oh, oh.

Mr. GERMAN: Yes, that it was practically a broken down country, a poor country, unable to take care of herself. Why, what did the hon. gentleman who has just sat down say? That there were more poor people in England than anywhere else, people borne down by the weight of taxation, that there was no wealth in Great Britain.

Mr. NORTHRUP: Pardon me. I do not say that there was no wealth in Great Britain.

Mr. GERMAN: If the hon. gentleman did not put it exactly in these words, that was the meaning of it. He said that Greenland would perhaps be called a rich country if Rockefeller and Pierpont Morgan and a few other wealthy Americans should go up there and settle. Why, Sir, England last year exported £385,219,000 worth of manufactured goods, and still, according to hon. gentlemen opposite, England is ready for the poorhouse. They put up men of straw in order to knock them down. My hon. friend, in the course of his remarks, and he spoke for an hour and a half, did not utter one word in defence of the Government's proposition. He did not utter one word against the amendment of my hon. friend from Assiniboia. He did not attempt to adduce an argument as to why the amendment of the hon. member for Assinibcia should not be passed. He did say that England was in great need. He referred to a speech made by Mr. Winston Churchill in introducing the navy estimates on March 18 1912, and he read a part of the speech of Mr. Winston Churchill to show that England was in great danger.

We have faced combinations over and over again in the past, and sometimes heavy odds, but we must never conduct our affairs so that the navy of any single power would be able to engage us at any single moment, even our least favourable moment—with any reasonable prospects of success. If this is 'insular arrogance', it is also the first condition of our existence!

This was read by my hon. friend with a view to showing that England was in straightened circumstances, that there was very grave fears of her ability to maintain her naval supremacy. Why did the hon. gentleman not continue to read from Mr. Winston Churchill's speech? I cited the same speech in the remarks I made to the House before the holidays. This is what Mr. Churchill says in addition:

I am glad to be able to assure the House that no difficulty will be experienced in making arrangements to maintain our relative position in the near future, and to secure as quickly as we need them adequate margins of safety. I am glad also that these measures will not involve any excessive disproportionate expense. We should not of course require to build any more ships other than those I have referred to under the head of 'New Construction.' All we should need to do is to bring up, as we require it, and no sooner, a large portion of our existing fleet into a higher status of commission, and consequently of greater readiness.

Does that mean that England is in danger? She has more ships at this moment than she can man except by men of the naval reserve who are not now in active service. If my hon. friend would read Mr. Winston Churchill's speech, and I would commend it to him in order that he might read it from beginning to end, he will find that there is not a line from first to last but what proves conclusively, not only that England is in no danger, but that she is in the highest condition of readiness for defence against all nations that may possibly attack her. It is absurd for hon. gentlemen to make such statements.

Now he also says that on this side of the House we have stated that Canada owes nothing to England. I venture to say that he cannot point to one such utterance of any member on this side of the House. It has never been uttered on this side of the House, and there has never been a Liberal member from one end of Canada to the other who declared that upon his responsibility as a member. We admit, and hon. gentlemen opposite admit that Canada does owe something to England, and we are prepared to pay our obligation by building a Canadian navy able to take care of her own shores. Those gentlemen try to assume a certain superabundant amount of loyalty, but it is more in talk than in actions. He says, 'get together' in the very pleasant manner which he always exhibits. He says 'why cannot the two parties get together and come to a settlement'? Why Mr. Speaker, three years ago we were together.

Three years ago the welkin rang with cheers for Canada and The Maple Leaf Forever? Every man sitting in this House agreed one with the other as to what the naval policy of Canada should be. We were all together. Why did the hon. gentlemen not stay with us? Why did they desert the ship? Why did they break their pledges? And now the hon. gentleman gets up in this House, forsooth, to try to show to the people of Canada that he above all others has superabundant loyalty, and he says 'oh, gentlemen, get together'. Stay with us, I say to the hon. gentleman, you were with us at one time; come back to the allegiance you swore three years ago and we will have a navy to satisfy the people of Canada.

Mr. NORTHRUP: I was not present in the House, on that famous 29th of March, and subsequently on the floor of the House I repudiated any responsibility for an agreement made in connection with a proposal which it was stated by the mover was quite apart from party politics.

Mr. GERMAN: I presume the hon. gentleman would now say that he was absolutely opposed to the 1909 resolution.

Mr. NORTHRUP: Most certainly I was.

Mr. GERMAN: He was the only Conservative in Canada who was.

Mr. NORTHRUP: I would like some proof of that.

An Hon. MEMBER: Mr. Bourassa.

Mr. GERMAN: Mr. Bourassa was a sort of mugwump I think. The hon. gentleman has mentioned the names of several gallant Canadians who have filled high positions in the army of Great Britain, and high positions as statesmen in Great Britain. It seems to me, Sir, that the hon. gentleman's statement is a complete answer to those hon. gentlemen who say that we cannot produce men to manage, man, and operate dreadnoughts. But so far as hon. gentlemen have said anything, that has been the burden of their song. They have tried to convince everyone that Great Britain was in a dangerous condition, and that she neeeded assistance from Canada.

I am glad that the silence on the opposite side has been broken to some exent, because we had a reign of silence on that side for several weeks in regard to this question. I presume that hon. gentlemen opposite find that it is necessary for them to say something in regard to it. Before this matter is finished, they will find that this amendment and the arguments which can be adduced and will be adduced in support of it, will take a lot of answering not only in this House but throughout the country. I do not intend to go into the question of naval supremacy in Great Britain nor into the question of the construction of a Canadian navy. We have an amendment before the House which to my mind is as important as any amendment which has come before Parliament for many years, and that is: Shall the constitution of Canada as embodied in the British North America Act be adhered to and carried out, and shall the constitutional principle which is in existence now and is the guiding star of English statesmen be adopted in Canada, that no new legislation, which is not before the people, shall be adopted by Parliament until the people have had an opportunity of expressing their views upon it. That is what this amendment means. In the first place, it declares that there shall be a redistribution. We all know that representation by population is the keystone of our Canadian confederation. For that George Brown and his followers struggled before Confederation for twenty years or more. Mr. Brown joined Sir John A. Macdonald in a coalition Government. In no other way could that reform be accomplished; but so strong was he in the belief that representation by population was the only course to adopt that he joined Sir John A. Macdonald with a view to bringing it about, and it was accomplished. Confederation was based on certain resolutions called the Quebec Resolutions; on those resolutions the British North America Act was founded, and those resolutions must be looked to in interpreting the Act. Section 17 of those resolutions says:

> The basis of representation in the House of Commons shall be population as determined by the official census every ten years.

The British North America Act does not contain the words 'representation by population'; but sections 51 and 52, which are the sections referring to this matter, certainly mean that; and no lawyer would dispute that they do mean that and that they are just as clear an expression of the principle as the resolutions are although not expressed in the same language. There is no doubt that the true constitutional principle in Canada is that we should have representation by population, each province to have a representation in proportion to its population as the number sixty-five has to the population of the province of Quebec, that province being made the pivotal province in that particular. What is the position in Canada regarding representation in the provinces to-day? My hon. friend from Assiniboia (Mr. Turriff) referred to it shortly. At present we have in the province of Ontario eight-six representatives; according to its population to-day Ontario is entitled to only eighty-two representatives; Nova Scotia has eighteen representatives and is entitled to only sixteen; New Brunswick has thirteen representatives and is entitled to only eleven; Prince Edward Island has four

representatives and is entitled to only three; Manitoba has ten representatives and is entitled to fifteen; British Columbia has seven and is entitled to thirteen; Alberta has seven and is entitled to twelve; Saskatchewan has ten and is entitled to sixteen. Therefore we find that the West is under-represented by twenty-two, and the East is over-represented by nine. My hon. friend from Assiniboia said that the West was entitled to fifty-nine members; my figures, which are taken from Mr. Ewart's kingdom papers, give the representation from the West as fifty-seven. If it should be fifty-nine, then the West is entitled to two more than I have stated. What do we find? It is this, that the vote of a voter in Ontario or in the maritime provinces has more weight in this House than the vote of a voter in the western provinces. That surely is contrary to the principle of representation by population, on which principle confederation was founded, and on which principle alone can confederation in the future be maintained. It was known by the fathers of Confederation that there would be continual and rapid increases in our population, and they provided the means for readjusting the constituencies. Representation was to be by population according to the provision of section 7 of the resolutions. No one will deny that there should be a redistribution, which our constitution provides for. The census has been taken, everything is ripe and ready for a redistribution; when should that redistribution take place? Section 19 of the resolutions says:

> Immediately after the completion of the census of 1871, and immediately after every decennial census thereafter, the representation from each section in the House of Commons shall be readjusted on the basis of population.

That says 'immediately after each decennial census.' On those resolutions the British North America Act was founded, and passed the Imperial Parliament. It is clear that not only the wording of the resolution but the intention of the Act is that there should be immediately after each decennial census a redistribution. 'Immediately' in law means within such time as is reasonably required for doing the work. That is settled by authorities during the last two hundred and forty years. The word 'immediately' is not used in section 51 of the British North America Act. The Postmaster General (Mr. Pelletier), I think, said 'hear, hear.' Does he say, or will anyone say that this was an omission meant to alter the meaning of the resolution? The British Parliament could not have had, and did not have, any reason to wish on such a point to vary the agreement the delegates had reached. And the section in fact carries out fully instead of in any way seeking to vary the intention expressed in the resolution on which it was founded. The section says 'on completion.' It does not say 'immediately.' I venture to say that the Minister of Justice (Mr. Doherty) will not stand in this House and declare that the leaving out from this section of the word 'immediately' in any way varies or alters the meaning of the resolution because it was on that resolution, that the Act was founded. Why should the British Parliament, before whom the resolutions went on which the confederation of Canada was founded, seek for a moment to alter those resolutions? It cannot be considered for a moment. The Act says 'on the completion of each decennial census' redistribution shall be made. Surely that does not mean after one year or after two or more years. It means that it shall be done with no greater delay than is reasonably requisite for doing the work—not when it is convenient to do it, not when political party exigencies would suggest doing it, but 'on the completion of the census.' That is the meaning of the Act, and now is the time when the redistribution should take place. Sir, that that is the meaning as understood by previous governments the making of redistribution in the past is sufficient evidence. There was a census in 1871, and a redistribution in 1872; a census in 1881, and a redistribution in 1882; a census in 1891, and a redistribution in 1892; a census in 1901, and a redistribution in 1903. Now, the Postmaster General immediately grasped at that, and I know what hon. gentlemen opposite have been saying as to that, and as to what the Prime Minister stated as to it long ago, condemning the late Government for not having the last redistribution immediately after the census. They should have looked at the records, they should look at reports. Let the hon. gentleman look at the record, let him go to the Census Bureau, and he will find that the census of 1901 was not prepared and printed, so that the Redistribution Bill could be prepared, until December 1902; and then the Redistribution Act was immediately brought in. But what do we find existing now? The census of 1911 was completed and printed in June of last year. There has been ample time, therefore for this Government to prepare and bring down the Redistribution Bill. Why have they not done it? The reason is not hard to see. When we find the Prime Minister of Canada proposing to increase the representation of the provinces in the Senate which is a Liberal body of this Parliament so far as politics go, when we find him suggesting that he should increase representation in the Senate and not at the same time readjusting the representation in this

House, what are we to think? We have had gerrymanders in this country before. That is what it means again. It means that they would increase the representation in the Senate until they secure a majority in that body and then they would bring down the Redistribution Bill in the House of Commons and gerrymander the Liberals out of existence. Hon. gentlemen opposite smile. Does not it look like it? I leave it to the House and to the country. What else can it be? The Prime Minister knows that the Senate as at present constituted has a majority of Liberals; he knows that he has a majority in this House, and he hopes to retain it. He thinks that if he can recast the representation of the provinces in the Senate and give himself a majority in the Senate, he can bring in a Bill and redistribute the constituencies of this country at his own sweet will with the help of his henchmen behind him.

The life of this Parliament has yet three years to run—until 1916. If redistribution is not made now, it could not be effective until the session of 1917. Surely that is not the intention of the British North America Act. Sir, many large questions may arise between now and then. As my hon. friend from Assiniboia said, a new election might be held between now and then. As our representation is based only and solely upon population, and as the British North America Act provided that there should be an immediate redistribution of constituencies after the completion of the census, we are brought to the question of an appeal to the people. It is clear that there must be a redistribution if we are to carry out and not to entirely ignore the provisions of the British North America Act. There must also be an election if we are going to act in conformity with all modern authority.

Mr. BLAIN: How late after taking the last census was the last Redistribution Bill introduced into this House?

Mr. GERMAN: I presume that my hon. friend was not in the House when I referred to this very matter. Possibly he will feel like stepping out again when I have told him.

Mr. BLAIN: I was not out of the House, I merely failed to notice it. The hon. gentleman need not mention it; I will read it in 'Hansard.'

Mr. GERMAN: The census was taken in 1901 and was completed and printed, as the hon. gentleman will find if he will inquire at the Census Bureau, in December, 1902, so there could not have been a redistribution of constituencies until 1903.

Mr. BLAIN: When was redistribution?

Mr. GERMAN.

Mr. GERMAN: In 1903, immediately after the completion of the decennial census of 1901. Mr. Anson, who was an authority on constitutional practice, in his 'Laws and Customs of the Constitution,' says this:

> When any large change is made in electoral conditions, it is proper that those new conditions should be put to the test and the newly enfranchised enjoy their new rights at the earliest opportunity. As soon, therefore, as the machinery is perfected, a dissolution takes place.

This is taken from volume I of Anson's 'Parliamentary Government,' the author of which is one of the foremost constitutional writers in the land. Can it be for a moment denied that there has been a large change, at least comparatively, in electoral conditions? No one can deny that, when according to the present census returns, Ontario and the maritime provinces lose nine representatives and the western provinces gain twenty-two, a change of thirty-one. If the hon. member for Assiniboia (Mr. Turriff) was correct, there would be a change of thirty-three. Some hon. gentlemen may say that is not a large change, but apply it practically, and particularly to the vote of last Thursday night on the adoption of the resolution which is the basis of this Bill, and what do we find? The Bill was carried by thirty-two, and it may be said that a proper redistribution would not or might not have changed the result. That is not the point; the point is that there would be a condition of misrepresentation—over-representation in the East and under-representation in the West—sufficient to have defeated the resolution and to have defeated this Bill! In other words, the people are wrongly represented to such an extent that this Bill and the resolution on which it is founded might have been defeated if the representation had been in accordance with the provisions of the British North America Act. If there were no other reasons, I say that that by itself is sufficient to compel this Government to go to the country.

But there are other and cogent reasons why the electors should be consulted It is true, there is authority that there is no constitutional practice which requires that there should be an appeal to the country previous to legislation upon great public questions, but adherence to that principle is not in accordance with the genius of modern British constitutional usage. I am not a believer in the practice of the referendum, so-called, as at present developed, but I do assert that when a Government proposes a fundamental change in our relations with the Mother Country and the rest of the Empire, such change ought not to become law with-

out previous submission to the electorate, and more particularly when Parliament, within three years previously, unanimously declared in favour of a proposition exactly the opposite. I use the words 'fundamental change in our relations with the Mother Country' advisedly as those are the words used by the present Minister of Justice in speaking upon the Naval Bill as introduced into this Parliament in 1910, and it was on those words that he based his argument that the then Government should appeal to the country before the Act became law. How can hon. gentlemen opposite get away from that position now? If they are making the change—and they are making a change—then why not carry out their own suggestion of appealing to the country and of obtaining the opinion of the people on that question? It has been asked; 'Why did not the late Government submit their naval proposition to the people? I may say that the situation is now entirely different from existing conditions then, and I believe that any one who views the matter with an impartial mind will admit that. Let us review shortly what was the then situation. The member for North Toronto, now Minister of Trade and Commerce, introduced a resolution, supported by a long, eloquent and forcible speech, declaring that Canada should take her share and accept her position in naval matters. The then leader of the Government, the right hon. Sir Wilfrid Laurier, moved in amendment:

This House fully recognizes the duty of the people of Canada as they increase in numbers and wealth to assume in larger measure the responsibilities of national defence.

The House reaffirms the opinion repeatedly expressed by representatives of Canada that under the present constitutional relations between the Mother Country and the self-governing dominions, the payment of any stated contribution to the Imperial treasury for naval and military purposes would not, so far as Canada is concerned, be a satisfactory solution of the question of defence.

The House has observed with satisfaction the relief afforded in recent years to the taxpayers of the United Kingdom through the assumption by the Canadian people of considerable military expenditure formerly charged upon the Imperial treasury.

The House will cordially approve of any necessary expenditure designed to promote the organization of a Canadian naval service in co-operation with and in close relation to the Imperial navy, along the lines suggested by the Admiralty at the last Imperial conference, and in full sympathy with the view that the naval supremacy of Great Britain is essential to the security of commerce, the safety of the Empire, and the peace of the world.

The present Prime Minister spoke on that amendment. Did he suggest a reference to the people? There is not a word of this in his speech from the beginning to the end. He did suggest, however, that the word 'speedy' should be inserted in the resolution and that one clause of the resolution should be struck out. Following him, the then Prime Minister said:

The suggestions which have been made by my hon. friend the leader of the Opposition are such as can be accepted by this side of the House and I have no objection to adding the words, so that the resolution will read as follows:

The House will cordially approve of any necessary expenditure designed to promote the speedy organization of a Canadian naval service.

This was so changed at the suggestion of the present Prime Minister, and the resolution was unanimously passed by the House, without any suggestion that there should be a reference to the people. That being accepted, what happened? Armed with that authority, backed as it was by the unanimous approval of Parliament, and with no protest from the country—not even from Mr. Bourassa—ministers of the Government went to England to attend the Imperial conference. The ministers had no authority to discuss, much less to agree to a policy of contribution or to the payment of money. That resolution expressed the settled and permanent naval policy of Canada as much as if it had been embodied in an Act of Parliament and placed on the statute-book. That was the unanimous decision of Parliament come to after no little consideration that a Canadian navy should be constructed, that ministers should go to England to consult the Admiralty and on their advice and on suggestions from them an Act was to be prepared and submitted to Parliament. If before that resolution was passed hon. gentlemen opposite had suggested that the then Government should go to the country there would be some sort of apparent sincerity in their contention now. But not a word, we never heard prior to the passing of that resolution, that the then Government should go to the country, every one was unanimously in favour of the resolution. When the ministers reached England what happened? They had a conference with the Admiralty and the Admiralty report shows what took place. The memorandum of the Admiralty at that time suggested what New Zealand had offered, what Australia had offered, and it cites the resolution passed by the House of Commons. It says:

On the 29th of March the Canadian House of Commons passed a resolution recognizing the duty of Canada, as the country increased in numbers and wealth, to assume in a larger measure the responsibilities of national defence and approving of any necessary expenditure designed to promote the speedy organization of a Canadian naval service in co-

operation with, and in close relation to, the Imperial navy.

If the problem of Imperial naval defence were considered merely as a problem of naval strategy it would be found that the greatest output of strength for a given expenditure is obtained by the maintenance of a single navy with the concomitant unity of training and unity of command.

There was talk of contribution then. What would have happened if the Government, if the ministers who at that time went to the Imperial Conference had entered into an arrangement with the British Admiralty to give a contribution such as is proposed to be given by the Government to-day? Supposing that Sir Wilfrid Laurier had agreed at that time to the Admiralty proposal that there should be a contribution from Canada instead of the arrangement that was made and had come back here and submitted to Parliament that proposition in the form of a Bill as is being done by this present Government, what would you have heard? You would have heard nothing from these gentlemen about England's decrepitude, nothing about England needing the assistance of Canada to build warships. Why you would have heard just the reverse, you would have had these gentlemen waving the British flag from one end of Canada to the other and saying: Send dreadnoughts to England? Let us build up Canada; England needs no help from us; England can take care of herself, and whip all the rest of the world combined. If the late Government had agreed to that proposition that is what the party now in power would have said. But, Sir, the ministers then were bound by the resolution which had passed this House, they could not go beyond that, they would have been violating their duty if they had gone beyond it. That resolution declared for a Canadian navy and that is what they went to England to arrange and organize. Now, Sir, what next happened? Section four of the memorandum of the Admiralty says:

The main duty of the forthcoming conference as regards naval defence will be, therefore, to determine the form in which the various dominion governments can best participate in the burthen of Imperial defence with due regard to varying political and geographical conditions. Looking to the difficulties involved, it is not to be expected that the discussions with the several defence ministers will result in a complete and final schemes of naval defence.

What did that all result in? It resulted in this:

It was represented on the part of the Admiralty that it would be difficult to make any suggestions, or to formulate any plans, without knowing approximately the sum of money which Canada would spend. The Canadian representatives then suggested that two plans might be presented:—one incurring an annual expenditure of £400,000, and the other an expenditure of £600,000, omitting in both cases the cost of the present fishery service and hydrographic surveys, but including the maintenance of Halifax and Esquimalt dock-yards, and the wireless telegraph service, estimated at some £50,000 a year.

And then the Admiralty stated what sort of ships should be constructed. We had all this done in the summer of 1909. The right hon. gentleman who leads the Government (Mr. Borden) was in England that summer. He came from England that fall. The results of the conference were shortly afterwards made known. The summary of the results of the meeting is dated 19th of August, 1909. The memorandum of the Admiralty is dated 20th July, 1909. Shortly after the 19th of August it was generally known what the arrangement to which the Canadian ministers had come was. The right hon. gentleman who leads the Government was in England that summer. He came back from England and knowing what had been done by the Government in regard to the Naval Service of Canada he went to Halifax on the 15th of October and made a speech which the Halifax Herald says was a non-partisan speech, in which he applauded and vociferously applauded and lauded as well the proposition of the Government. In his speech in Halifax, and I took the time to read it yesterday, and a very excellent speech it was, there is not one word from beginning to end that the Government before proposing to Parliament a navy Act should submit the proposition to the people. On the 15th October, 1909, he was strongly in favour of the resolution which passed this House in March 1909, and which he assisted in passing. What was the situation? Did anyone at that time say that the Government should go to the country? The then Opposition did not suggest it, the leader of the Opposition, now leader of the Government, did not suggest it—no one suggested it. But when the Bill was introduced into Parliament by the right hon. the Premier (Sir Wilfrid Laurier) on the 10th January, 1910, then, for the first time we heard: We must go to the country. All summer from March until the 31st of December not a word from a living man excepting the sounds that came from the province of Quebec, from Bourassa and his adherents, not a word from any man of standing in the Dominion of Canada, not from the Conservatives, the right hon. gentleman, in Halifax on October 15, strongly declaring in favour of that proposition. Then, on the 10th of January, when the Bill is introduced in Parliament, we hear for the first time that there should be a reference to the people. Why? Bourassa then stepped to the front of the stage; he took command of these hon. gentlemen; from that time to this they have been in his power, and they will stay in his power until

they are driven out of office. What was the reason for this change? Has the right hon. leader of the Government ever suggested why he made the change? Why did he change his attitude of the 15th of October? What was the reason? From being enthusiastically in favour of the Canadian Naval Service in October, why did he change on the 10th of January and say you must submit this to the country?

Mr. EMMERSON: The Drummond and Arthabaska election had taken place.

Mr. GERMAN: I do not think the Drummond and Arthabaska election had taken place until the following summer. But we had the hon. member for Jacques Cartier, (Mr. Monk) in Parliament. He was a follower of Bourassa or Bourassa was a follower of his. I do not know what influence the hon. Postmaster General (Mr. Pelletier) was exercising, but no doubt he was exercising considerable influence; that element was beginning to appear on the political stage, the right hon. gentleman who leads the Government dropped into its hands and he has been in its hands ever since. I am justified in making that statement by reason of the course of events. They ask: Why did you not go to the country? Why should the Government have gone to the country with that proposition? It had been unanimously accepted by Parliament and throughout the country. There had been no word of protest except from Bourassa and his associates. The First Minister had approved of it in October. If the then Government had accepted their proposition and gone to the country ministerial and executive responsibility would have been reduced to a farce. They were responsible to the people. They had been led to believe, and Parliament had a right to believe, that the whole country was unanimously in favour of this policy. They brought a Bill into Parliament based on that resolution; not a line changed, not a word in the Bill that in any way conflicted with the terms of the resolution. They brought in their Bill and then, forsooth, we heard these gentlemen declare: You must go to the country. Supposing the Government had gone to the country? Why, Sir, these gentlemen might have changed their minds. If Bourassa had commanded them they would very probably would have made another switch, gone off at a tangent and condemned the Government for some other reason. The Government did not go to the country and there was no reason why they should. The time to have submitted that proposition was before the resolution had been carried by this House. After that the mouths of hon. gentlemen opposite were closed so far as referring the matter to the country was concerned. They had pledged themselves to the proposition. All summer they were pledged to the proposition and they were not then justified in saying: You must go to the country. Now we have a new Government and we have a new proposition.

Mr. PELLETIER: And a new Opposition.

Mr. GERMAN: A new Opposition and a strong Opposition, an Opposition that is consistent, an Opposition that will not agree to one thing to-day and do something else to-morrow, an Opposition that, when it agrees to something in this House will stand by it and will not be carried away by Bourassa or any one else. We have a new proposition and we now say that this new proposition, before becoming law, be submitted to the judgment of the people as stated by Lord Lansdowne, to see whether they approve or disapprove of it. We have a large new electorate in this country. These people should be allowed to express their views in regard to this proposition.

What are the new conditions? Parliament unanimously authorized the former Government to make an arrangement and this Government now present the new Bill. Who authorized the right hon. leader of the Government to make the arrangement that he has submitted to Parliament?—not this Parliament, not the former Parliament, not the people of Canada and not even Mr. Bourassa. Who authorized him? He did it off his own bat, absolutely alone, and unauthorized by Parliament. When he made his somersault in the winter of 1909-10 he said something about this question of contribution to the British Government, but no one had authorized him to make any such proposal. Instead of this resolution having the unanimous approval of Parliament, as the resolution of 1909 had, it is opposed and strongly opposed by nearly one-half of this Parliament and it is opposed and strongly opposed by more than half of the people of the country. If the hon. gentleman feels so confident of his position and if he thinks that the people approve of this proposition, let him dissolve Parliament and go to the country. The right hon. gentleman said, the other night, that the people had had a chance of expressing their opinion on this proposition at the last general election. Surely he does not think that any man with intelligence enough to remain out of an insane asylum will accept that statement. Reciprocity was the sole and only issue in the last election outside of the province of Quebec, and within the province of Quebec, where the Naval Act was something of an issue, the proposition of the hon. gentleman was defeated and the present Naval Act was carried by a considerable majority. This is a new question in so far as the electors are concerned

and a new question of vital importance—of vital importance not so much by reason of the amount of money involved as by reason of the possible and, I think, more than probable, future consequences. What did we find? We found that Mr. Bonar Law, who could have got his impression only from conversations which he had had with the right hon. the leader of the Government last summer in England, said on the 17th of December last, and this was referred to by me in the few remarks that I made to the House in December:

If the whole Empire is ever to become in reality as well as in name, a united empire and a united nation, it can do so in one way only, by the establishment of a real federal system by the United Kingdom and our colonies, in proportion to their population, contributing to the defence of the Empire, and sharing in the glory of governing the Empire.

That is the impression he got, and he could only have got that impression from the right hon. gentleman who leads the Government when he was in England last summer. He knew then what his proposal was, a contribution to naval defence, and he made that speech last December in which he said that if we ever have a real British Empire and a United Kingdom it can only be by the colonies, in proportion to their population, contributing to the defence of the Empire. What does that mean but a policy of continual contributions? Why, Sir, the hon. gentleman's own supporters say that; they have said it on different occasions. I have heard them say it outside of this House, and I have heard them say it inside of this House. Well, Sir, if this is to be the result of this proposition, or if it is likely to lead to a result of that kind, then I say it is of vital importance. And if it is, let us see what another eminent authority has to say on the question. Mr. A. Lawrence Lowell in 'The Government of England' says:

Another sign of the times is found in the doctrine, now sanctioned by the highest authority, that Parliament cannot legislate on a new question of vital importance without a mandate from the nation.

Now, I have said that there is authority in Todd and May that Parliament may legislate, and has legislated in past times on questions of vital importance which had not been submitted to the people. But Sir, that is an effete doctrine. The genius of our modern constitutional practice is, that when a question of vital importance comes up, a government should not enact legislation embodying such a principle and place it on the statute book until they have submitted it to the people for their approval.

Mr. CROTHERS: When did the people of Canada express approval of the Naval Bill of 1910?

Mr. GERMAN.

Mr. BOYCE: When was that submitted?

Mr. GERMAN: That was not submitted to the people of Canada at an election, and they did not express their approval or disapproval.

Mr. CROTHERS. What about the doctrine you have just been reading?

Mr. GERMAN: The principle involved in that Bill was unanimously accepted by the Parliament of Canada, by the representatives of the people of Canada, without one word being uttered by hon. gentlemen opposite in favour of it being submitted to the people. If hon. gentlemen are true to their principles, why did they not then, before the resolution passed say, 'You must submit that to the people for their approval?' If they had done that, they would have shown some consistency, but they said nothing about it, as I have already stated, until Mr. Bourassa appeared on the scene and took command of the ship. How can these gentlemen square themselves with their past actions? What was the issue in Parliament on the reciprocity question? Was it not one of the strong contentions that the Government at that time had no mandate from the people? I urged that as one reason why I was opposed to the reciprocity proposition. I said to the Government then in power, 'the people have not had an opportunity of expressing their views on this matter. At one time thirty years ago, the whole of the people of Canada were in favour of reciprocity but times and conditions have changed, and the people of Canada are not to-day as they were thirty years ago, and the question should be submitted to the people.' Hon. gentlemen opposite said the same thing; it was the burden of their song. They applauded me in my remarks, and they applauded each other in their remarks when they said that there was no mandate from the people to enact reciprocity, and that the Government should go to the country. They said the same thing when the Navy Act was before Parliament. The hon. Minister of Justice, the hon. Minister of Agriculture, the right hon. the leader of the Government, the hon. Minister of Labour, every minister of the Crown who spoke, and every one of their followers who spoke declared emphatically that the Government must go to the country on the naval proposition of 1910, and they voted that way. My hon. friend the Minister of Labour agrees to that proposition. Then I say to him, be consistent and go to the country now.

Mr. CROTHERS: We went to the country on 21st September, 1911.

Mr. TURRIFF: Not on the navy question?

Mr. GERMAN: The Government then were told by Conservatives that they had no mandate from the people to enact reciprocity legislation. The Government accepted the challenge, and went to the country. Let hon. gentlemen opposite be equally brave. They said to the then Government: go to the country not only on reciprocity but on the navy problem. Let them now follow out their own line of discussion, and go and do likewise.

Now Sir, how can they square themselves? Have they any respect for fixed principles? Have they any idea of consistency? Have they any regard for reasonable uniformity in public action? One is bound to think not, unless they adopt the course which they themselves declared to be the proper course, have a redistribution, and appeal to the country on this issue. The Bill is not going to die. We are not endeavouring to kill their Bill. Three or four months would see an election over after a redistribution Bill had been passed. It will take three or four years to build three dreadnoughts and to equip them. Sir, I say that there is a greater emergency in settling this question by the people of Canada than there is in giving three dreadnoughts that much sooner or later to the British Empire. If they want more authority, every text-book writer declares not only that when there is a change in the conditions in regard to representation, that when there is a large increase in voters, Parliament should immediately appeal to that new electorate. There is positive authority for the view that when a new question of vital importance comes up in Parliament, a Government should not enact legislation in reference to it, without first submitting it to the electorate. Let me see what other gentlemen say in regard to matters of this kind. What did Mr. Balfour, the leader of the Conservatives in England say? He said this:

> Mr. Balfour while repudiating the suggestion that the existing Parliament having been elected on the single issue of the South African war——

That was the Parliament elected to support Mr. Balfour's Government.

> —ought to be dissolved when peace was made, refused to grant time for a debate on free food on the ground that it would be constitutionally improper for Parliament to act on the question until it had been submitted to the people at a general election, and that it would be unwise for the House to discuss a subject on which it could not act.

Do hon. gentlemen want a higher authority than Mr. Balfour, who is the leading Conservative in the British House of Commons? I find in May's 'Constitutional History,' in speaking of Sir Robert Peel's action in regard to Corn Laws, he uses this significant expression:

> Sir Robert Peel was accused of betraying his party on the Corn Laws, but there was no emphatic demand as there would have been in later times that he should dissolve Parliament and obtain a mandate from the country before proceeding to action.

All constitutional law is of gradual growth. The positive actions of conscientious leading statesmen reflect very accurately public opinion and show what is or what ought to be constitutional practice. Mr. Balfour, speaking on the Finance Bill in the British House of Commons in 1910, after that Bill had been rejected by the House of Lords, in volume 15, English Hansard of 1910, at page 1187, said:

> We are not doing our duty by the constitution which we have inherited if we leave it to the power of the majority of this House without the deliberate assent of the people to these changes to carry them into effect over the heads of another place. That is a point in the constitution of this country and the necessity of providing some safeguards for it.

He was speaking on the motion made by Mr. Asquith after the lords had rejected the Finance Bill. Let me come to a stronger and to my mind absolutely conclusive authority as regards submitting a question of this kind to the people; it is the authority of no less a man than Lord Lansdowne, who was once Governor General of Canada, and leader of the Conservatives in the British House of Lords. In speaking of the Finance Bill, he moved this amendment, which is almost similar in terms to a portion of the amendment which is now before the House:

> That this House is not justified in giving its consent to this Bill until it has been submitted to the judgment of the country.

That was the Finance Bill introduced by Lloyd George in the British House of Commons in 1909. In support of the amendment, Lord Lansdowne said:

> You have to consider its results as they would affect all classes of the community, and the principles that underlie it, and you have to consider whether the people of this country have been consulted with regard to it. If you find that the results are likely to be disastrous and that the principles underlying it, which we detect not only from the official utterances of members of the Government, but also from the more indiscreet explanations of so-called supporters of the Government, are pernicious and that the whole matter is one that has never been duly referred to the people of this country, then I venture to say that your lordships have a clear duty before you—not to decree the final extinction of the Bill—because that is not what we propose, but to insist that before it becomes law an authoritative expression of the opinion of the electors of the United Kingdom shall have reached us with regard to it.

That is the highest tribunal in the United Kingdom. The men who passed that reso-

lution are the Supreme Court of Appeal for Great Britain and Ireland. That being so, why is their declaration of what is sound constitutional law and practice not equally authoritative? There is no doubt that it is. So far as hon. gentlemen opposite are concerned, it should be a positive authority to them. The Liberal Government of Mr. Asquith at that cepted the suggestion made by the Lords it did exactly what Sir Wilfrid Laurier's Government did in 1911. Sir Wilfrid Laurier accepted the suggestion made in this House by the Conservatives that he should go to the country; Mr. Asquith accepted the suggestiion made by the Lords that he should go to the country and get the mandate of the people on the question of the Finance Bill. I say to hon. gentlemen opposite: be you also equally courageous and do likewise. The highest judicial tribunal in England has declared that that is the constitutional practice and should be done; Mr. Balfour the leading Conservative statesman in Great Britain makes the same declaration; hon. gentlemen opposite have also made the same declaration; carry out the suggestions that you have made. Pass the Redistribution Bill, submit this question to the country; get a mandate from the people; then, if you receive the support of the electors of the country, if they approve of this proposition, you will come back clothed with authority to place that legislation on the statute-books; but ask the opinion of the people, and when you have got that opinion, I doubt very much if you will have the authority to place that legislation on the statute-books. As I have already said, your Bill need not and will not be killed; it can stand for three or four months. I submit that there is authority and strong authority which should compel these gentlemen to appeal to the country. It is the true constitutional practice; it is in accordance with the provisions of the British North America Act, if we are not to ignore entirely those provisions. If we ignore them now, we can ignore them in the future; we might as well wipe them out of the statute-book unless we are to carry them out faithfully, honestly and legally. Hon. gentlemen opposite have gone a long way in their assertions regarding the navy problem, as it is at present the law of the land; they say it is a separatist navy; they say it will unbind the ties that bind the British Empire together.

Some hon. MEMBERS: Hear, hear.

Mr. GERMAN: Hon. members say, 'hear, hear.' I, for one, glory in the fact that we have on the statute-book of Canada an Act which provides for a Canadian navy, and these gentlemen dare not repeal it. I glory in accepting as my platform, and I think I may say that we glory in accepting as our platform, the resolution of 1909 and the words of the British Admiralty expressed in their report in the summer of that year. And, Sir, on that platform, lined up with our noble chieftain, and with the British flag above us, we will strive for Canada's greater prosperity and the continued and lasting unity of the Empire.

Mr. W. G. WEICHEL (North Waterloo): Mr. Speaker, as a young parliamentarian and one who has had the privilege of occupying a seat on the floor of this House only a short time, I hesitated somewhat before expressing my views on the subject which to-day is being widely discussed throughout Canada, and which in my opinion, and also in the opinion of a great many other people, is one of the greatest questions that have come before the Canadian people since Confederation. I will be brief in my remarks, and my attitude in this debate will not be that of a critic of former speakers, not even a critic of my 'German' friend from Welland. And I believe that this is the first instance in the House of Commons where a German has been followed by a German in debate. My attitude in this debate is that of a man who, after carefully listening to the speech delivered by the right hon. Prime Minister and also to that of the right hon. leader of the Opposition, has come to some conclusion, and that after mature deliberation upon this very great and important question. The Prime Minister, in an eloquent speech a few weeks ago, gave notice to the House that he would introduce a Bill whereby Parliament would be called upon to contribute $35,000,000 towards the naval defence of the Empire. Immediate relief is to be given, and he is asking Parliament to pass this Bill with the distinct understanding that a permanent policy is to be submitted later on. The right hon. leader of the Opposition, in an eloquent speech, proposes an amendment to create a Canadian navy in Canada manned and equipped by Canadians, having a fleet unit on the Atlantic and one on the Pacific ocean. Both parties realize that something should be done. The leader of the Government who told this House he had received information from the Admiralty of Great Britain regarding the situation there at the present time, feels that, in view of what he has heard of the grave condition of affairs that seems to exist there at this time, we should offer an immediate contribution to the Empire. There is not in my opinion a great deal of difference between the two parties on this question. It seems to me that the only difference is that the Government is willing to act immediately and take no chances whatever, while the policy of the Opposition is to counsel delay and minimize as much as possible the danger that seems to exist for the British navy. Sir, I am

and always will be an exponent of peace. Peace at all times without in any way lowering the dignity of a nation, to my mind, is a principle we should uphold at all times. Great nations are to-day engaged in the mad race for naval supremacy. Sensational journalists, the manufacturers of cannon, guns and other death dealing instruments, are stirring up the passions of men of the different Christian countries, inciting them to fly at one another on the slightest provocation. It is a crying shame that in the twentieth century, matters of dispute cannot be settled by arbitration. We know that the masses of Europe are ground down under militarism. When war is declared, when mobilization takes place, who are the men who are called upon to bear the brunt of battle? Men in high stations of life? Yes, to a certain extent. But, Sir, the masses constitute ninety per cent of the people, and it is from the masses, from the ranks of the workingmen and toilers, that you take your recruits; and they are the people who have to stand in the field of battle and stop the deadly bullets. The word 'No' pronounced emphatically by every toiler throughout the world as the answer to every beligerent, would once for all settle this question, and disarmament would shortly follow. The labour organizations are uniformly opposed to war. The church might very well compete for this distinction but for the fact that among its members may be found some not so strongly opposed to militarism—those, for instance engaged in the manufacture of army and navy materials and supplies, and especially the titled aristocracy. Pleas for arbitration between governments occasionally made by peace societies, activity on the part of individual philanthropists and other efforts have been made to prevent armed conflicts. The tendency of governments, however, has been to confine the work of arbitration to minor disputes, while greater issues are left to the sensational press, popular passion and war. In my opinion, disarmament rests with the masses. Let them refuse to be led away by war scares, and the sound of the drum, and at the same time work in harmony with the governments of their respective countries to promote sane legislation, is in my opinion highly to be desired. Look at the case of Sweden and Norway. A few years ago Norway, unexpectedly to Sweden, dissolved the union. The Swedish aristocracy and militarists appealed to the passions of the people to resort to arms. But the labour organizations held certain meetings and passed a few formal resolutions that, if summoned, they would refuse to serve. This had the desired effect, and the consequence was that these two countries instead of being at war are now living in peace side by side and contemplating an alliance for the protection of their mutual interests.

Some newspapers have been busy for the last two or three years trying to show that Germany is contemplating war with Great Britain. Others, perhaps with saner views, do not hesitate to tell the people that sensational newspapers and manufacturers of arms have had a great deal to do with stirring up passion and hatred between these peoples. Mr. Speaker, why single out Germany? What about Italy with its marvellous fleet? What about France which is to-day developing a magnificent navy? What about Russia which is again recuperating after her disastrous loss in the war with Japan? What about the United States, which, I believe, stands third in the list of naval powers to-day. And what about that little island kingdom of Japan whose people, we know, are marvellous fighters by land as on sea? I occupy a rather unique position among the two hundred and twenty-one members who represent the Canadian people in this House. I, Sir, am of German extraction, and I am proud, exceedingly proud, of the progress the German nation has made during the last forty-two years. A nation which in literature, has given to the world the works of Goethe, Schiller and many others; which to-day marvels at the wonderful compositions of Beethoven, Mendelssohn, Mozart, Haydn, Lizst and Wagner, in music; a nation which stands in the foremost ranks of science, literature, philosophy, medicine and art, must command respect and I am sure there is no one here to-night who will doubt that statement. Ninety per cent of the people of North Waterloo, whom I have the honour to represent, trace their ancestry to the German people. Come with me, Mr. Speaker, to my constituency, and I will show you what German thrift and energy has accomplished. Prosperous and contented are our farmers, happy in the knowledge that they are to-day living in a land protected by the Union Jack, which is to them a guarantee of freedom of speech and liberty of conscience. The manufacturing centres of my riding are to-day a regular beehive of industry. Berlin, with a population of 18,000 people operating 133 factories, whilst Waterloo, only a short distance away, with pride points to thirty-three industries. Prosperity, thrift and energy, has made a garden of North Waterloo, and this, Sir, is mainly due to the perseverance of the people of German extraction. They revere German customs and traditions, and are proud of the fact that the land of their fathers is making such magnificent progress. They realize also that they, under British institutions, have been allowed for the last 100 years to live in peace, whilst other nations, less fortun-

ately situated, are embroiled in war. They realize also, that in no other country of the world to-day can a greater amount of freedom be obtained and enjoyed than in this Dominion of ours. Germany's growth, unexampled prosperity and progress, is due to the fact that technical education in her schools has made her a nation of thorough business men. Thoroughness in everything is the German slogan of to-day, and this commercially speaking, may probably be the cause of a great deal of the bitterness displayed towards that nation. Another great factor in the upbuilding of this wonderful empire is that the public utilities of Germany are owned by the state, and have brought immense revenues to that country. Another factor—and I am touching upon delicate subjects to-night is the home life of that country, where the German mother reigns supreme as queen of the home, not worrying about affairs of state—nor adopting militant methods as her sisters are doing in England to-day. Mr. Speaker, destroy the peace and sanctity of home life, and you once and for all start to undermine the very foundations of empire! I honestly believe that Germany desires peace. But there is another consideration—there is another side to the question. Since other nations are to-day increasing their armaments, it becomes a natural necessity for Great Britain to be prepared for all emergencies. I have listened with a great deal of interest to hon. gentlemen on both sides of the House who have delivered addresses on the Naval Bill. I have also heard the majority of those members—with the exception of one hon. gentleman on the Opposition side of the House, with perfect unanimity practically agree that the First Lord of the Admiralty can see no danger in Great Britain at the present time, so far as the British navy is concerned. Allow me to read a paragraph or two from a speech delivered by Mr. Winston Churchill in presenting the naval estimates to the British House of Commons on Monday, July 22, 1912:

There are two points with regard to navies and naval war which differentiate them from armies and land war. The first is the awful suddenness with which naval warfare can reach its decisive phase. We see on the continent of Europe immense military establishments possessed by nations dwelling on opposite sides of political frontier lines; yet they dwell and have dwelt for a whole generation in peace and tranquility. But between those armies and any decisive collision there intervenes an inevitable period of delay that acts as a great buffer, a cushion of security. I mean the vast process of mobilization, the very first signs of which must be noticed, and which, once it begins, lays idle the industry of both countries and dominates the whole course of national life. So it is that through all these years nations are able to dwell side by side with their tremendous military establishments, without being a prey to undue anxiety as to immediate attack. But none of these considerations apply to fleets. The fleet which was assembled for the manœuvres the other day was fully capable of going into action as soon as the ammunition could be brought up and put by the side of the guns. And that is true of all the great highly efficient navies of the world.

Further on he says:

I am bound to say, looking far ahead, and farther than the purposes of this vote, at the aspect which Europe and the world will present when the power of states, which has been hitherto estimated very largely in naval strength, and when we have a number of great powers all possessed of very powerful navies, the state of Europe and of the world seem to possess many more germs of danger than the period through which we have been passing through in our lifetime.

After reading these two paragraphs, I, for one, reading between the lines, was fully convinced that Mr. Winston Churchill saw a danger ahead, and I therefore cannot agree with what gentlemen of the Opposition have said in reference to their inability to see anything in the speeches of the Lord of the Admiralty, denoting that Great Britain had any cause for alarm. He states that the Empire's peace in England to-day is wholly artificial; he claims they are fed from the sea; they are an unarmed people, and possess a very small army, and are in fact the only people to-day on the continent of Europe who do not possess a large army. Therefore, he claims, these are facts which justify British naval supremacy in the face of the world. A few weeks ago the hon. member for South Wellington (Mr. Guthrie), for whom I have a great deal of respect, flung a challenge across the floor of the House to the members of the Government to bring in a redistribution Bill, and then appeal to the people on this issue. Was the hon. gentleman in earnest, or was he simply playing to the gallery? I would like to remind my hon. friend that in western Ontario, where I live at the present time, this matter of a contribution is meeting with favour throughout the length and breadth of the land. The Canadian people are willing to pay for services rendered, rather than engage in the building of navies and the creation of too much of a military spirit throughout Canada. How many recruits would the hon. member for South Wellington supply for the navy from the busy city of Guelph? How many recruits would he get in South Wellington? How many recruits would I be able to get in the busy city of Berlin to-day, and among the German farmers in North Waterloo? Our people are too busy at the present time to enlist in the navy, and the experience of the former Government, with regard to the Niobe and the Rainbow, should act as a warning to

the present Administration not to attempt too much at once, and take such action as will cause us to retain our self-respect and make amends for allowing the British taxpayer in the past to bear all the burdens of defence.

I was pleased the other evening to support the resolution of the right hon. the Prime Minister. It is our plain duty to do something, and no self-respecting nation should shirk its responsibility to secure and maintain peace at all costs. We should be willing to do almost anything. We pay for the policing of our towns and cities; why should we hesitate to pay for the protection of our country and the maintenance of the greatest policeman we have in the world to-day—the British navy? We are too busy developing the natural resources of this country; too busy building railways and canals; too busy creating towns and cities to think of militarism and navies, if Canada is to become a nation. A policy of isolation from the world is, in my opinion, no longer possible. Some may think that we on this continent can work out our destiny in peace, but I doubt whether this dream will ever be realized. We now have vital interests throughout the world. In the year 1910 our total sea-borne trade in exports and imports with the British Empire and other countries, exclusive of the United States and Mexico, amounted to $337,676,851, and with the British Empire alone $277,676,851. Our sea-going trade entered and cleared was 20,814,313 tons, exclusive of coasting and inland tonnage. And are there no Canadian interests at stake in the Pacific as well, with China waking up from its long sleep; the great possibilities of trade expansion with Japan, and also the opening of the great Panama canal? The fact remains that Canada at the present time cannot dissociate itself from the Mother Country and the Empire. We must, it is true, be jealous of our rights and liberties, and we must at all hazards maintain our position as an autonomous state within the Empire, but at the same time we must recognize the interests of the Empire. We must develop our resources, organize the defences of our frontiers, perfect the system of transportation by land and water to always meet the increasing needs of Canada if we wish to become a great nation. But if we hope for this, we must not forget that the essential conditions must be the stability and security of the Empire.

A certain writer once said that a nation can be secure only if its armed strength is commensurate with its possessions. The British nation is a maritime nation, and is most vulnerable from the sea. It depends for its livelihood upon the sea. They possess one-half of the world's shipping, and nearly one-half of the world's trade is carried under the British flag. Therefore, it is reasonable to suppose that to safeguard these enormous interests she must have a powerful navy. There was a time when the naval supremacy of Great Britain was undisputed, but that is not the case to-day. Other nations have grown powerful, and are casting longing and envious eyes at her colonial possessions. It is idle to dream of peace when we see with what feverish haste other nations are adding to their strength. There is a peril, however, in my estimation, that is greater by far than the European peril. I may be wrong, and I hope I am wrong, but I realize that the yellow peril is the one we have to fear more than the European peril.

I am not a diplomat, nor do I understand the mysteries of alliances and treaties between nations. I for myself cannot see where Great Britain has anything to gain by an alliance with Japan. Far rather would I prefer to see an alliance between Great Britain, Germany, France and the United States. An amicable understanding between these great and powerful Christian nations would for all time to come be a guarantee for peace. Destroy the British fleet, and then tell me, Mr. Speaker, what would become of the much heralded Monroe Doctrine. The British navy stands to-day for protection to all who live under the folds of the Union Jack. And our neighbours to the south of us have almost as much interest in the stability of the navy as we have in Canada. For my part I believe in one empire, one navy. A unit on the Pacific and one on the Atlantic looks all right on paper, but it is all wrong in time of peril and need. We have the assurance that a permanent naval policy will be submitted to the people later on. In the meantime let us be true to our professions of loyalty. Let us do something to regain our self-respect. Our sister colonies have put us to shame by doing their share. Why should big and prosperous Canada lag behind? We are proud of our heritage. Proud of our history and proud of our Empire. Envious eyes are to-day watching our progress in developing our natural resources. Our future is with that of the Mother Country. She has watched over us, has guarded us and now when we are fast becoming a nation it will be to our best interests to stick closely to the Union Jack. She has confidence in us, and to prove it she sends freely of her money to develop our resources. We owe a great deal to England. Although of German origin and proud of my ancestry, I am prouder still that I am a Canadian and a British subject.

This to my mind should not be a political question. It is a matter far too serious to be juggled about as a political football. We want peace and are prepared

to pay for it no matter what the cost may be. War is inhuman. It is degrading. There are times when it may be necessary. The Balkan war which is going on at the present time may be an instance. There was provocation for a call to arms and the allies have triumphed over the Turks, who have been a source of trouble to Europe for a long time. Arbitration should settle all differences between nations. If that cannot be done, then by all means strengthen the British navy in such a way as to show to all nations that we are prepared at all times, with a bold front backed up by an enthusiastic people and by a navy powerful enough to defend our commerce, our homes and our children.

Canada alone cannot defend herself. Canada is a great country and her people are brave and resolute. But what could they do by themselves to defend their vast interests in the continent of North America on the Atlantic and on the Pacific? How long could we stand against the 100,000,000 to the south of us, or against Japan with its 40,000,000 who are desirous of gaining control of the Pacific? We have a trifle over 7,000,000 people living in a country that can accommodate 100,000,000, who could live here in comfort and ease. But across the Pacfic ocean lives the yellow man and he is hopelessly congested and must sooner or later seek new possessions. We are determined, however, to make this a white man's country and we have every right to shape our future accordingly. Ask the man from British Columbia how he feels about the matter. He will tell you that there is danger to be expected from that source.

A great deal has been heard and said about autonomy and rights and far too little about duties and responsibilities. In my opinion, the principle of local autonomy has once for all been accepted and no serious minded person questions it any longer. Canada is either a part of the Empire or it is not. We cannot any longer with self-respect stand idly by and allow Great Britain to shoulder the whole burden.

The supreme interest of the British Empire is the peace of the world. We would all hail with delight an announcement that the powers had decided to propose disarmament. But as long as nations will persist in arming to the teeth, just so long must the great British nation be in the van, ready at all times to defend her rights and to maintain at all hazards the integrity and stability of the Empire.

Canada's destiny lies with that of the Empire. Our success and prosperity will be assured if we share with her for weal or woe. I hope to be spared to see this a great nation. I hope to be spared to see Canada taking a leading part in trying to secure a better understanding between the Christian nations of the world. Canada has a destiny and it is going to be a glorious one, linked together with all the other parts of the Empire in one indissoluble tie that will make for the peace and prosperity of the world.

Mr. F. B. CARVELL (Carleton, N.B.): Mr. Speaker, my remarks will be somewhat lengthy, it is now eleven o'clock and perhaps my hon. friend will allow me to move the adjournment of the debate.

Some hon. MEMBERS: Go on, go on.

Mr. CARVELL: I had an understanding with the whip this morning that the House would adjourn at eleven o'clock but if hon. gentlemen do not want to carry out that understanding, of course, I shall have to proceed. I do not think that they will ask me to finish my remarks to-night unless I am able to cut them a great deal shorter than I anticipate.

Some hon. MEMBERS: Go on.

Mr. CARVELL: Mr. Speaker, I congratulate my hon. friend from North Waterloo (Mr. Weichel) on the very excellent address which he has given to the House to-night and because he has expressed sentiments which might be well advocated by very many other hon. members of this House. I congratulate him upon his excellent language and I think that I realise to some extent the somewhat peculiar position which he occupies in addressing the House on this very important subject, especially when we consider that practically every member on his own side of the House who has discussed this question, not only during this debate but since the beginning of the year 1910, has advocated the course which they have been advocating because of what they call the German peril. I appreciate the position in which my hon. friend finds himself and I think he has handled the subject in a masterly manner considering all these conflicting associations. I do not want to say, or even to insinuate, anything unkind about the hon. gentleman, but I am afraid that his logic would hardly be as commendable as are some of his sentiments as to peace and good-will which he wishes the world in general and the people of Canada in particular. While he advocates doing something to protect ourselves and especially, is he anxious about the protection of our Pacific coast, he seems to think that it is not the duty of Canadians to protect themselves either on the Pacific or the Atlantic coast but in other words, he joins forces with the Nationalists and says that we should just hire somebody to do it for us. I know that that is not the true sentiment of the hon. member for North Waterloo. I have too much regard for his chivalry; I have too much regard for the chivalry of the great race from which he

comes. I never before heard of a German who wanted to hire someone else to do his fighting for him. If there is a trait of the German nation which should be commended it is based upon the fact that when the time came to fight for the Fatherland the German fought for the Fatherland and asked nobody to help them.

My hon. friend also deprecates the fact that this has become a party question. So do I. My hon. friend the Postmaster General (Mr. Pelletier) laughs. So does he. There is no gentleman in this House who depreciates it any more than the Postmaster General does. I am afraid he will have cause to deprecate it to a greater extent in the future than he has in the past. He is making a magnificent attempt to make his people believe down in Quebec that everything is all right from their standpoint. My hon. friend, I understand is the principal owner and manager of a newspaper in the province of Quebec.

An hon. MEMBER: What is the name?

Mr. CARVELL: I am not very good at French names, but the name is L'Evenement as nearly as I can pronounce it. I find in a recent issue these sentences, which I commend to the House in general and to my hon. friend the Postmaster General in particular. I would ask him if he is not a little tired of the situation which has been created and if he would not like to see it buried and something else discussed?

Mr. PUGSLEY: What is the date of that paper?

Mr. CARVELL: I have not the date because it is a translation, but this was published within a recent time. This refers to the proposal of the Government to make a contribution of $35,000,000 to Great Britain, and the Postmaster General says that it is only a gift of money.

Mr. PELLETIER: I now say that that is not my paper, and I have said it many times in the House.

Mr. CARVELL: Well, L'Evenement says this—will my hon. friend say that he has no stock in it?

Mr. PELLETIER: Not one share.

Mr. CARVELL: Will he say that he is not a director?

Mr. PELLETIER: How could I be a director without any shares?

Mr. CARVELL: I would just like to have an answer. Will my hon. friend answer?

Mr. PELLETIER: I am neither a director nor a shareholder.

Mr. CARVELL: Was my hon. friend a director on the 21st of September, 1911? My hon. friend is silent when it comes to that. He is not the first politician who has got out from under a newspaper when he got into the Government. Many men have done that, but their ideas govern the newspaper just the same. Considering, then, the fact that my hon. friend, by his silence, admits that he was a director when he was elected to this Parliament, I want to read what his paper says:

> It is only a gift of money. You will never bear anything more of it. There is no danger. The British will hire men at twenty-five cents a day, and Canadian mothers and sisters will suffer no loss. As for the money, Ontario will pay for it, and the West will pay for it. It will not take your sons from your homes as the infernal Laurier would do.

No wonder that the Postmaster General, when this question comes up, speaks about getting rid of it. But, Mr. Speaker, we are not rid of it and notwithstanding the wish of my hon. friend the Postmaster General, the wish of my hon. friend from North Waterloo, and the wish of every hon. gentleman on that side of the House, we are not rid of it. A great constitutional question like this being sprung upon the people is something which will not down, and it is impossible to put it down in a day. We have to discuss the thing and I think it is the duty of every member of this House, no matter on which side he is, to discuss it and give reasons for the vote which he will record when this matter comes to a second reading or at the final stages of this Bill. It is the most important proposal which has been brought before this House in my time. I believe it is the most important proposal that the people have been called upon to discuss in a generation—yes, in two or three generations. I believe it is a most important constitutional question which has been presented to the people of Canada since Confederation. I submit that it is a practical reversal of the policy of self-government which was given to this country in 1867. And, Sir, I submit that if we pass this Bill, if we hand over—I will not say money, because I understand that according to the Bill we do not hand the money over to the British Admiralty; I wish we did for I would feel a great deal safer if we were handing the money over to the British Admiralty—that is a constitutional point which has not been discussed yet, and I wish to call my hon. friend's attention to it for a moment. As I understand this Bill, it proposes to hand over to the Government of this country $35,000,000 to be expended at their own sweet will, not in Canada, but out of Canada, for the construction of three battleships by firms over whom we have no control, and we have no way of finding out whether the money has been properly or improperly expended by people who can say that they have charged $4,000,000 apiece

for those ships. We have no way of finding it out, no way of bringing them to the bar of this House as they brought a gentleman this afternoon, no way of asking them what they did with the money. I say we are raising here a constitutional question of greater magnitude than any raised in my experience, or since Confederation I believe. They propose to hand over $35,000,000 to the Government—I do not find any fault with the individual members—to be expended outside of the country, and give this House no control over it, and no opportunity of bringing the men who receive the money before the Public Accounts Committee or before the House in order to find out the true facts of the question. I repeat that it is a great constitutional question, and one which in my opinion should be submitted to the people before this Bill becomes law.

But as I said a while ago, I am afraid that this naval question is not out of politics. I do not wonder, as I said before, that certain gentlemen wish it were out of politics, but I would like to know whose fault it is that this naval question is still in politics. I do not want to travel over ground that has been pretty thoroughly threshed out by different members of this House since the debate began, but no gentleman can make anything like a connected argument, or give anything like a reason for his vote on this matter, unless he devotes some attention to the historical facts in connection with this transaction. We know that this matter was first mooted at the Imperial Conference of 1902. There was a discussion upon some sort of contribution, or upon the participation of some of the colonies in the naval defence of the Empire. It was only mooted at that Conference. We know that in 1907 it was again brought up. We know that in 1909 the hon. member for North Toronto, now Minister of Trade and Commerce, placed on the Order Paper a resolution to the effect that the time had arrived when Canada should take some share in the naval defence of the Empire. I have not his exact words, and it is not necessary to quote them, but I think I have given the substance of them pretty correctly. That resolution was allowed to stand on the Order Paper for something like two months, and no notice was taken of it until some time in the month of March, 1909. One of those periodical German scares had taken place early in the month of March, 1909, and it is somewhat remarkable how regularly those German scares come around. It seems that a certain number of gentlemen in the Old Country are able to work up a German scare at almost any time they want to do so. And after all it does not take a great amount of money to work up a German scare—a string of newspapers, a contribution of a few thousands or perhaps tens of thousands of pounds, which amount to a mere bagatelle to the great manufacturers of ships, armaments, and war material. They want a chance to sell their goods, and they start a German scare. Why, Sir, we have had German scares regularly from the beginning of 1909 down to the present time. The last of them was when my right hon. friend the Prime Minister and his colleagues went to London in the month of June or July last. Probably it did not take more than £10,000 to work up that German scare. We had the newspapers filled with German scares for something like two months. The Montreal Daily Star almost went into hysterics over the German scare in the months of July, August and September, 1912, and all the lesser lights of the Conservative party copied the Montreal Star. By the time the right hon. gentleman had returned to Canada, one would almost have thought that the German navy had sailed up to the shores of England and had blown all their defences to atoms. But they did not.

Now I find that on the 22nd March, 1909, when one of these periodical German scares was in existence, the Government of New Zealand telegraphed an offer to bear the cost of the immediate construction of a battleship of the latest type and of a second of the same type, if necessary. I am referring now to the reports of the Imperial Conference of 1909. The newspapers were of course fully apprised of this fact. It became public property, and was commented upon by all the newspapers of the Empire, with a great deal of admiration and commendation by most of them. When the psychological moment had arrived, my hon. friend the Minister of Trade and Commerce brought up his resolution which had been quiescent for two or three months, and I am bound to believe that he brought it up from the very best of motives, although I think he was also actuated by the German scare. What may have been his anticipation as to how his resolution would be received by the right hon. the leader of the Opposition, then Prime Minister of Canada, I do not know. But one thing sure is that the right hon. gentleman met him in the spirit in which he proposed his resolution. I would be taking up the time of this House uselessly if I were to quote extracts from the splendid speeches of the Minister of Trade and Commerce and the right hon. the Prime Minister on that occasion. Suffice it to say that in my mind they were masterpieces of oratory, of logic, and of argument, and in my opinion they rank among the first productions of any deliberative body in the British Empire for logic and good sound reasoning. The burden of the argument of the Minister of Trade and Commerce was that as England had borne the brunt of Empire for 200 or 300 years, the time had come when some-

thing should be done by Canada, and the only question in his mind was how the thing should be done, what method should be taken by Canada in order to carry out that laudable ambition and desire. He discussed the two propositions which were then in the public mind. The first was, I think, the question of a contribution, suggested no doubt by the action of New Zealand, to which I have referred, and which was made public only one week before the hon. gentleman brought in his resolution. The other was the proposition as to whether we should defend ourselves or not; or contribution on the one hand and the construction, manning and control of the Canadian navy on the other. As I said before, it is worth any man's while to read that speech over and over again. I do not think I am doing my hon. friend any injustice when I say that without any hesitation he arrived at the conclusion that the only logical, patriotic and sane proposition which Canada could accept was that of constructing a navy, manning it and maintaining it. I wish to put the matter fairly, because I realize that we are now discussing a question of very great importance. He was followed by the right hon. the leader of the House who made, I think, as fine a speech from the standpoint of a logician as did the hon. Minister of Trade and Commerce, but who lacked in oratory. The result of it all was that after some discussion back and forth by different members, the following resolution was drafted and unanimously adopted by this House. It is true that we now have a couple of members of the then Opposition, now members of this House, who say they were not here at that time, and had they been, they would have voted against it. I never knew until to-night that there was more than one. I do remember at a later date that the hon. member for Jacques Cartier (Mr. Monk) stated that he was not in the House at that particular moment, although he had been a few moments before, and that he was not in favour of the proposition. Now the hon. member for East Hastings (Mr. Northrup) to-night says: I was not here, and therefore I am not bound by it. That is pretty close reasoning; that is something which I would call special pleading, and I do not think the hon. member for East Hastings really expects this House to take his statement very seriously, because the matter has been discussed a great many times. It was discussed in 1910 when the Naval Service Bill was up; it has been discussed in every session since 1909. So far as I can remember, this is the first time I ever heard a statement like that from the hon. member for East Hastings, and I believe it is the first time he made such a statement either in the House or out of it. With the exception of these two hon. gentlemen, I think I am safe in saying that every member of the House at that time gave his consent, and I might also say enthusiastic consent, to the resolution, which is as follows:

This House fully recognizes the duty of the people of Canada, as they increase in numbers and wealth, to assume in larger measure the responsibilities of national defence.

The House is of opinion that under the present constitutional relations between the Mother Country and the self-governing dominions, the payment of regular and periodical contributions to the Imperial treasury for naval and military purposes would not, so far as Canada is concerned, be the most satisfactory solution of the question of defence.

The House will cordially approve of any necessary expenditure designed to promote the speedy organization of a Canadian naval service in co-operation with and in close relation to the Imperial navy, along the lines suggested by the Admiralty at the last Imperial conference, and in full sympathy with the view that the naval supremacy of Britain is essential to the security of commerce, the safety of the Empire and the peace of the world.

The House expresses its firm conviction that whenever the need arises the Canadian people will be found ready and willing to make any sacrifice that is required to give to the Imperial authorities the most loyal and hearty co-operation in every movement for the maintenance of the integrity and honour of the Empire.

That continued to be the attitude of every person in Canada so far as we know until some time in the late autumn of 1909. The right hon. gentleman went to England; and as has been stated here before, in a speech at the High Commissioner's banquet in London, on the 1st of July, he reiterated his adherence to the proposition of a Canadian navy. He came home, and on his way back at Halifax, as was referred to by my friend from Welland (Mr. German), he made a speech in which he again reiterated his adherence to the naval policy as set forth in that resolution of March 29, 1909. He went to Toronto, and found that things had been moving a little in Canada during his absence. Some of his followers in Toronto and I think in Winnipeg as well—possibly my friend the Minister of Public Works (Mr. Rogers) would have some knowledge of what took place at that time, because I remember that his name was mentioned in connection with the change of front of some of the Conservative leaders—had commenced to find fault with the attitude of the present leader of the Government, because he had fallen in with the view of the then Premier and had not opposed it as they thought was the duty of an opposition. My hon. friend the then leader of the Opposition stood by his guns manfully for some two or three months. It is true, when Parliament met

in the month of November, 1910, a desperate attempt was made by my right hon. friend's friends to compel him to change his mind and recede from the position which he had taken in regard to the establishment of a Canadian navy. The first thing which took place was the amendment to the Address moved by the hon. member for Jacques Cartier in November, 1910, which was as follows:

The House regrets that the Speech from the Throne gives no indication whatever of the intention of the Government to consult the people on its naval policy and the general question of the contribution of Canada to Imperial armament.

This was moved as an amendment to the amendment moved by the right hon. gentleman, the then leader of the Opposition. The substance of this was that this question was so important from a constitutional standpoint, that it was such an important departure, that it was embarking on such an important proposition that it should be submitted to the people before being passed into law. We know that the right hon. the Premier and practically every member of his cabinet to-day who was a member of the House of Commons then save one voted for that amendment. As has been stated, the hon. member for North Toronto (Mr. Foster) could not make up his mind to vote for Mr. Monk on a proposition of that kind and he left the House. I think two of his colleagues, also members from the city of Toronto, went out with him, all except the Minister of Militia—I want to be fair to him. The Minister of Militia voted against it. But every other hon. member of the present Government who was a member of the House of Commons at that time, with the exceptions I have named, voted for this amendment—voted that before an important matter like this should be passed it should be put before the people. But that resolution does not say whether it should be submitted by a plebiscite or by a general election.

Mr. CROCKET: How did the hon. member for Carleton (Mr. Carvell) vote on that?

Mr. CARVELL: I voted against that amendment. I voted against it because I thought that the Parliament of Canada had unanimously decided this matter representing every constituency in Canada, and expressing, as I believe what is the proper policy for Canada. But the member for Carleton (Mr. Carvell) had listened pretty carefully to his constituents, had considered the newspaper reports, and had tried to feel the sentiment of the county from the time of the resolution up to November 1909. And the member for Carleton saw no reason why he should change his views and call for a vote of the people on a question like that. Now, as the hon. member for York (Mr. Crocket) has asked me how I voted, I would ask him how he voted.

Mr. CROCKET: The records will show.

Mr. CARVELL: My recollection is that he voted with Mr. Monk. I don't know whether he will like to have this little matter of past history raked up or not. I do not know what the brethren in the county of York will think about when I tell them their representative voted with Mr. Monk in a matter like this. But this was the fact. And, as he has brought the matter into the light, I might as well give him all there is about it. The main amendment was moved by the present Prime Minister, then leader of the Opposition. I thought at that time, and I think now that the difference between the two amendments was the difference between tweedledum and tweedledee. The hon. member for Jacques Cartier proposed to express regret that there was nothing in the speech to state that we would take the voice of the people upon this question. The amendment of the right hon. leader of the Opposition was exactly the same thing, only that they threw the old flag around it, as they always do:—

We beg to assure Your Excellency of the unalterable attachment and devotion of the people of Canada to the British Crown and of their desire and intention to fulfil all just responsibilities devolving upon this country as one of the nations of the Empire. We desire, however, to express our regret that Your Excellency's gracious speech gives no indication whatever of any intention on the part of Your Excellency's advisors to consult the people on the naval policy of Canada.

If there is a man who will show the difference between the two, I shall be obliged to him. However, the leader of the Government and every one of his followers, so far as I am able to recollect, except the present Minister of Militia, voted for the amendment. I am not so sure about the hon. member for Jacques Cartier (Mr. Monk). By these amendments, which were voted for by the then Opposition, this matter was brought back into politics; it was made a political football, a means of trying to gain power; it was taken from the high plane on which the hon. member for North Toronto (Mr. Foster) and the present leader of the Government had at one time expressed a desire to place it, and it became purely and simply a party question. And, to my mind, it comes with poor grace from the hon. member for East Hastings (Mr. Northrup) to plead with us to get together, to plead with the Liberal party to recede from the position which it took in 1909 and which these hon. gentlemen themselves took, a position which involves to my mind, the real national and manly

principle, the principle of doing our own fighting, of acquitting ourselves like men, of defending our own shores, of looking after our own affairs; and they ask us to adopt the unmanly, the un-Canadian, the un-British policy of handing over a sum of money to the Mother Country and saying: 'Build ships with the money, man them yourselves, pay for them yourselves, fight them yourselves.' You cannot get a question like that out of politics. It is here to stay, no matter what may become of this particular proposition. It is here to stay until the Government of this country come to the conclusion that the people have a higher conception of the duties of citizenship than to hire people to fight for them because those people can be employed at twenty-five cents a day less than Canadians can be employed to fight for themselves. We may as well face that question and understand it once and for all.

Now, let me refer to what has taken place outside of Canada. I have given a brief history of this naval affair from the month of March, 1909, down to the time when the Naval Bill was introduced by the leader of the Government. The Imperial conference was held in the autumn of 1909. It will be found reported in a blue-book a copy of which I have before me. Before the conference met, a memorandum had been sent out by the British Admiralty, dated 20th July, 1909. In this memorandum sent out to the self-governing dominions the whole matter of naval defence was discussed from both standpoints. I wish to refer as briefly as possibly to some of the statements in this memorandum to show that the Imperial authorities, or, if you will the Admiralty, have not changed their attitude very much to-day from what it was in 1909. I do not think there is any doubt that, if we had gone to the Admiralty in 1909, as I contend my hon. friend the Prime Minister did in 1912, if we had said to the Admiralty: We want you to tell us what you would like to have us do, not what is best for us or even best for the Empire as a whole from the point of view of the political and business conditions, but purely for the purpose of making a fighting machine, we should have got practically the same answer as we get now. In fact, we have it here in paragraph 2:

> If the problem of Imperial defence were considered merely as a problem of naval strategy it would be found that the greatest output of strength for a given expenditure is obtained by the maintenace of a single navy with the concomitant unity of training and unity of command. In furtherance, then, of the simple strategical ideal the maximum of power would be gained if all parts of the Empire contributed, according to their needs and resources, to the maintenance of the British navy.

If it were merely a question of making the British navy one fighting unit, would suggest to the governments of the self-governing colonies that they should contribute to the support of the navy; but they realized then, as they realize now, that there are many facts to be taken into consideration before any self-governing colony would decide what course it will pursue. Because they say:

> It has, however, long been recognized that in defining the conditions under which the naval forces of the Empire should be developed, other considerations than those of strategy alone must be taken into account.

I hope that the House will remember that this statement was sent out by the Admiralty before the conference met. (Reading):

> The various circumstances of the overseas dominions have to be borne in mind. Though all have in them the seeds of a great advance in population, wealth, and power, they have at the present time attained to different stages in their growth. Their geographical position has subjected them to internal and external strains, varying in kind and intensity. Their history and physical environment have given rise to individual national sentiments, for the expression of which room must be found. A simple contribution of money or material may be to one dominion the most acceptable form to assist in Imperial defence. Another, while ready to provide local naval forces, and to place them at the disposal of the Crown in the event of war, may wish to lay the foundations upon which a future navy of its own could be raised. A third may think that the best manner in which it can assist in promoting the interests of the Empire is in undertaking certain local services, not directly of a naval character, but which may relieve the Imperial Government from expenses which would otherwise fall on the British Exchequer.

I desire to know whether any hon. gentleman reading that statement sent out by the British Admiralty before the conference of 1909, will say that the British Admiralty did not feel at that time exactly as my hon. friend professed to feel? Did they not recognize that a policy acceptable to one of the overseas dominions might not be acceptable to another? Did they not recognize that while contribution might be acceptable to one colony, it might not be acceptable to another? Did they not state exactly what my right hon. friend stated, and exactly what the member for North Toronto stated? Did they not state that a policy of contribution might not meet the aspirations of that colony which might wish to lay the foundations upon which a future navy of its own could be raised? And, Sir, Canada before that date had laid down the principle that the people of this country did have aspirations to establish

a policy upon which a naval force of its own could be raised. (Reading):

The main duty of the forthcoming conference as regards naval defence will be, therefore, to determine the form in which the various dominion governments can best participate in the burthen of Imperial defence, with due regard to varying political and geographical conditions. Looking to the difficulties involved, it is not to be expected that the discussions with the several defence ministers will result in a complete and final scheme of naval defence, but it is hoped that it will be found possible to formulate the broad principles upon which the growth of colonial naval forces should be fostered. While laying the foundations of future dominion navies to be maintained in different parts of the Empire, these forces would contribute immediately and materially to the requirements of Imperial defence.

That was the statement of the Admiralty in 1909.

In the opinion of the Admiralty, a dominion government desirous of creating a navy should aim at forming a distinct fleet unit, and the smallest unit is one which, while manageable in time of peace, is capable of being used, in its component parts, in time of war.

There is no doubt but that the British Admiralty stated at that time that if the dominions, established a naval force of their own, they should aim at a fleet unit. They did not say they must establish a fleet unit at the outset, they said they should aim at a fleet unit. The next step, then, was the conference, and at the conference the policies of each of the self-governing colonies were discussed, laid down and adopted. The policy to be adopted by Canada was that of building not a fleet unit in its entirety, but ships which could be used as the nucleus of fleet units, both on the Atlantic and Pacific coasts. They discussed two schemes, one which would involve the expenditure of £600,000 per annum, and another which would involve the expenditure of about £400,000 per annum. If I remember rightly, the fleet unit decided upon by Australia was to cost that colony exactly the same amount as that proposed by Canada, namely, £600,000 per annum. So when hon. gentlemen contend that Canada was trying to shirk responsibility, and was not doing as much as Australia was willing to do, I say they have not read the records in that regard. If they would read page 26 of the report from which I am quoting, they would find this statement:

The annual expenditure in connection with the maintenance of the fleet unit, pay of personnel, and interest on first cost and sinking fund, was estimated to be about £600,000.

And the policy proposed by Canada was one which would cost about the same. But instead of building a dreadnought as the head of the unit, they were to build, as I have said, a number of vessels to be employed on different coasts of the continent—one portion on the Atlantic and the other on the Pacific. When the Bill was brought down, we followed the recommendation of the Admiralty almost in its entirety. There were one or two changes made, but we provided for ten or eleven of these vessels. The £600,000 proposition provided for four cruisers of the improved Bristol class, one cruiser of the Boadicea class, and six destroyers of the improved River class. It was admitted by all that the submarines should not be included in this proposition because of the highly technical condition of that particular branch of the service. In this report to which I refer, there is a table showing the cost of the different vessels, maintenance and annual upkeep, interest and depreciation, cost of the personnel, victualling, pay, medicines, &c., the total including about £50,000 for maintenance of the Halifax and Esquimalt dockyards, amounting to £600,000 per annum.

Now we come back to the discussion in the session of 1909 and 1910, when the propositions laid down by the Admiralty of 1909 were adopted by the Government and were submitted to Parliament in what is called the Naval Defence Bill. To that Bill, two amendments were proposed—those which I read a few moments ago—by the present Prime Minister and the member for Jacques Cartier (Mr. Monk), which were voted upon as I have already described. Up to the second reading of that Bill, my right hon. friend had certainly not changed the position which he took a year before. I desire to read to the House a statement made by my hon. friend on the 12th of January, 1910, which, to my mind, is the crux of the whole matter; which, to my mind, is as true of the situation to-day as it was in 1910, and which shows that the right hon. gentleman had given the matter very mature consideration:

It has been suggested that instead of the organization of a Canadian naval force, there should be a system of annual contributions from this country to the Mother Country——

This was not in 1909, but in 1910, on the second reading of the Naval Defence Bill.

—and I am free to admit that, from the strategical point of view, I would be inclined to agree with the view of the Admiralty that this would be the best way for the great self-governing dominions of the Empire to make their contributions. But, Sir, from a constitutional standpoint, I am opposed to it, for many reasons.

Opposed to what? Opposed to contribution; opposed to the very thing he is asking Parliament to vote here to-night; opposed to the very thing to which he himself was opposed in 1909; opposed to the

very thing he was opposed to in London, and in Halifax, and I think I would hardly be out of order if I were to say opposed to the thing which in his heart of hearts he is opposed to to-night. Because he is too good a constitutional lawyer not to know the real effect of forcing this measure upon Parliament.

In the first place I do not believe it would endure. In the second place it would be a source of friction, it would become a bone of partisan contention, it would be subject to criticism as to character and amount of the contribution in both parliaments it would not be permanent or continuous, it would conduce if anything would conduce to severing the present connection between Canada and the Empire.

Is there a man in this House to-night, is there a member in this Parliament to-day, who could put forth more weighty and cogent reasoning in one short paragraph against this principle of contribution than did my right hon. friend on that memorable occasion in 1910?

Mr. CLARK (Red Deer): It is true now.

Mr. CARVELL: Of course it is true. It will be true no matter what the outcome of this measure may be, it will still be true if this is forced through the House. You cannot change a truth because you try to juggle with it, it is a truth all the same. The people of this country know it is a truth, the people of this country knew it was true with reference to a contribution in 1909 and in 1910 and in 1913 and that it will be true regarding a contribution in 1915. Where does my right hon. friend think this will land him? Where is he going to end? He knows he cannot force a contribution upon this country to-day and quit to-morrow. He knows he is going to establish a precedent which must continue to follow; he knows that this thing must be continuous. Every argument which he has made, every argument which his followers have made since this debate has commenced, has been an effort to show that you cannot build ships in Canada, you cannot have any other permanent policy than one of contribution; he knows that that is the logical conclusion of his present Act. Again I ask him to come back to the sane sound reasoning of the leader of the Opposition in 1910 and compare it with the make-shift proposition, with the forced proposition forced on him by the Nationalist wing of his party. Compare those two situations and see which appeals to his judgment as being the one most commendable to the hon. gentleman who now occupies the high position of Prime Minister of Canada.

That is practically as far as I wish to proceed upon what I would call the historical portion of this argument. I shall now take up an entirely new branch, and as it is nearly 12 o'clock I would move the adjournment of the debate.

Some hon. MEMBERS: Go on.

Mr. CARVELL: It would take me an hour and a half or two hours to finish and I beg to move the adjournment of the debate.

Mr. ROGERS: My friend, when he opened his remarks, said something about an arrangement having been made by the Whips to adjourn at a certain hour and I have been informed by the Whip on this side that no such arrangement has been made but that there was some understanding that when the hon. member for Carleton should conclude his remarks the House would adjourn, and I may say that that rule will be lived up to.

Mr. CARVELL: If my hon. friend the Minister of Public Works contends that I must conclude my remarks I must do so, but before going on I will state what took place. The chief whip of the Conservative party came to me this morning and very kindly, and I thought in a very gentlemanly way, told me what the order of the debate was to be and told me that we would discuss the matter until shortly after eleven o'clock. I relied upon that and I know that if the hon. gentleman was in the House he would state the facts as I have stated them. What arrangement he may have made later on with the chief whip of the Liberal party I do not know.

Mr. ROGERS: In order that there might be no mistake I took the trouble to have Mr. Stanfield telephoned to at the hotel and he assured me that the arrangement was that when the hon. member for Carleton concluded his remarks the House should adjourn.

Sir WILFRID LAURIER: Do I understand that my hon. friend will not allow the adjournment to take place at this hour? He knows that we have been in the habit for years of adjourning about twelve o'clock?

Mr. BORDEN: My right hon. friend will remember that we have been debating this measure for a very long time and at very great length and with a very great amount of repetition indeed, and we are being taunted all the time, even in this House but outside as well with the alleged fact that we are making very little progress with this measure. Well, we intend to make some progress with it. If we have not hitherto sat long enough to make progress we will have to sit a little later and make progress. I read an article the other day from a newspaper which is very strongly supporting my right hon. friend, taunting us on this side with the fact that we had made no progress. Under these circum-

stances I do not think it is unreasonable to ask the hon. gentleman who has already spoken at some length to conclude his remarks this evening.

Sir WILFRID LAURIER: This question has been debated at some length it is true, but not at an unusual length. My hon friend remembers that on the Naval Bill the House discussed the question at far greater length than we have been discussing the present Bill, twice as long, if not more. My hon. friend will also remember that four or five years ago when Mr. Taylor was the chief whip he on one occasion especially asked that we should not sit later than twelve o'clock, and we generally agreed to that. Of course there are exceptions to all rules, and when it has been agreed that we should take a vote we have sat very late, but as a rule we did not. If we are to understand that we are not to live up to this rule now but must sit until all hours in the night of course we will have to submit but I do not think my hon friend has acted at all in the spirit of fairness I would have expected from him.

Mr. BORDEN: The right hon. gentleman will remember that we have not insisted upon late sittings up to the present. I think we have endeavoured to meet hon. gentlemen opposite in a fair way in regard to adjournment but I think we will have to sit a little later in the future if this debate is to be so greatly protracted. It is perfectly true it has not up to the present time taken as long as the naval debate in 1910, but we have not yet got through the second reading of this Bill and we have already been engaged for some twenty-two days in debating this Bill and nothing else. I am rather under the impression that pretty much everything has been said about it that can be said about it. Under these circumstances I will not be considered as acting unfairly at all but I would like to have my hon. friend conclude his remarks this evening and to say we will have to sit somewhat later in the evening in the future than we have done in the past.

Sir WILFRID LAURIER: My right hon. friend will, of course, have his way, if he says we shall sit later we shall have to sit later, but let us understand to what length we are to sit in the evenings, 1 o'clock, 12.30 or 2 o'clock. It is not fair for us to be kept here until all hours. We should know how long we shall have to sit.

Mr. BORDEN: I shall be very glad to discuss that with my hon. friend and try to arrive at some conclusion with regard to it.

Mr. PUGSLEY: Perhaps my right hon. friend (Mr. Borden), having regard to the fact that my hon. friend from Carleton, N.B., is suffering from indisposition, will consent to adjourn.

Mr. BORDEN: If the hon. gentleman is suffering from indisposition—

Mr. CARVELL: You can see I am; I cannot very well talk in my present condition.

Mr. BORDEN: Can my hon. friend give me an idea of the length of time that his remarks will occcupy to-morrow?

Mr. CARVELL: I will try to get through in an hour or an hour and a half at the outset.

Mr. ROGERS: Make it an hour and we will let you off.

Mr. CARVELL: I will try to finish in an hour.

Mr. BORDEN: I will agree to the time limit if my hon. friend will accept that.

Motion agreed to, and debate adjourned.

On motion of Mr. Borden, House adjourned at 11.59 p.m.

HOUSE OF COMMONS.

WEDNESDAY, February 19, 1913.

The SPEAKER took the Chair at Three o'clock.

QUESTIONS.

(Questions answered orally are indicated by an asterisk.)

INTERCOLONIAL RAILWAY—SACKVILLE WHARF.

*Mr. EMMERSON:

1. Is the Government aware that the new public wharf at Sackville, N.B., constructed by the Department of Public Works for the Dominion, was completed early in September last, and taken over by the said department?

2. (a) Has there been any connections made by a spur line of railway between the Intercolonial railway and the said new wharf? (b) If not, is it the intention of the Government to make such connection? (c) If so, when?

3. Is the Government aware that great inconvenience and loss is said to have resulted to the trade and shipping interests of Sackville by reason of the want of such rail connections during the past autumn?

4. Previous to the completion of said wharf and as early as a year ago, was the attention of the Intercolonial railway authorities or management called to the necessity of the construction of such spur line anticipatory to the completion of said wharf, in order that the shipping facilities at Sackville might be perfected and the traffic of the Intercolonial increased?

Mr. CODERRE:

1. Yes.

2. (a) The railway has a connection with the old wharf at that point and made no request for the building of a new wharf. (b) The matter has not been decided, but it is not considered that a rail connection with the new wharf would result in increase in the earnings of the railway. (c) Answered by No. 2b.

3. The Department of Railways and Canals has no information to such effect.

4. Yes. Letters were received by the management of the Intercolonial railway advising that railway connection with the new wharf was necessary.

PUBLIC BUILDING AT ST. LIN.

Mr. SEGUIN:

Does the hon. Minister of Public Works intend to have placed in the supplementary estimates a sufficient amount to ensure the early construction of a public building at St. Lin, a town of the Laurentides; the construction being rendered urgent after the reply made by the hon. minister in December last?

Mr. ROGERS: The supplementary estimates have not yet been considered.

WHARF AT L'ASSOMPTION.

Mr. SEGUIN:

1. Does the Department of Public Works intend to have placed in the supplementary estimates an amount sufficient to ensure the construction of a wharf at the town of L'Assomption, in order to make effective the amount already voted by Parliament for this purpose?

2. If not, what causes prevent this construction, and at whose request is this enterprise abandoned?

Mr. ROGERS: The supplementary estimates have not yet been considered.

BREAKWATER IN THE RIVER L'ACHIGAN.

Mr. SEGUIN:

1. Does the hon. Minister of Public Works intend to have placed in the supplementary estimates the amount sufficient to ensure the construction of a breakwater on the river L'Achigan, in order to make effective the sum already voted by Parliament for this purpose?

2. If not, what are the causes that prevent this construction, and by whose request is this enterprise abandoned?

Mr. ROGERS: The supplementary estimates have not yet been considered.

BREAKWATER AT ST. GERARD DE MAGELLA.

Mr. SEGUIN:

1. Does the hon. Minister of Public Works intend to have placed in the supplementary estimates, the amount sufficient to ensure the construction of a breakwater at St. Gérard de Magella, in order to make effective the sum already voted by Parliament for this purpose?

2. If not, what are the causes that prevent this construction, and by whose request is this enterprise abandoned?

Mr. ROGERS: The supplementary estimates have not yet been considered.

EMPLOYMENT OF J. ALBAN LAFERRIERE.

*Mr. GAUVREAU:

1. Is J. Alban Laferrière, formerly of Hull, in the employment of the Government?

2. If so, what position has he, when was he appointed and what is his salary?

3. Had he occupied other positions with the Government before? If so, why was he changed?

Mr. CODERRE:

1. Yes.

2. Dominion Government Immigration and Repatriation Agent, at Manchester, N. H., appointment, April 1, 1912, salary, $1,500 per annum.

3. There is no record of Mr. Laferrière having been formerly employed in any department of the Government.

NORTH SYDNEY PUBLIC BUILDING.

1. What amount was expended on the public building at North Sydney, N.S., during the year 1912?

2. What was the nature of the work done?

3. Was the work let by tender and contract? If so, who were the tenderers and what was the amount of each tender?

4. Was the work given to the lowest tenderer?

5. Was the work performed subject to inspection? If so, who was the inspector?

6. Was there any estimate made of the cost of the work before the contract was let? If so, what was the amount of the estimate, and what was the cost of the repairs as completed?

Mr. ROGERS:

1. $3,442.40.

2. Repairs and alterations before the fire, after the fire, and for furniture and furnishings.

3. Only one tender was forwarded to the department, that of Mr. J. J. Dooley, which was recommended by the Inspector of Buildings. The amount of the tender for work before the fire of 6th June, 1912, was $1,750, and for similar work after the fire, $1,060.

4. Yes.

5. Yes; Mr. W. Bishop, Inspector of Dominion Buildings, Nova Scotia.

6. Yes; the estimate for repairs before the fire was $1,825, and the contract was awarded for $1,750. Repairs under contract: First contract, before the fire, J. J. Dooley, $1,750; second contract after the fire, J. J. Dooley, $1,060. Ordinary repairs, without

tender, made throughout the year: preparing floor for safe, J. J. Dooley, $207; altering doors, J. J. Dooley, $48.90; boiler section, Matheson and McMullin, $40; plumbing, W. H. Buchanan, $41.95; electric wiring, J. T. Murphy, $35.80; smoke pipe, Thompson and Sutherland, $5.20; petty repairs, M. McMillan, $22.60; total, $401.45. Furnishings, throughout the year: Rubber mats, &c., Thompson and Sutherland, $124.80; stools and chairs, Vooght Bros., $28.05; two clocks, J. C. Robertson, $23; key cabinet, Office Specialty Manufacturing Company, $14.03; Shannon file, Office Specialty Manufacturing Company, $36.30; grills, Rubenstein Bros., $4.30; petty repairs, J. W. Ingram, 47 cents; total, furnishings, $230.95. Grand total, $3,442.40. This amount does not include cost of heating, water, lighting or caretaker's salary for the year.

SYDNEY POSTMASTERSHIP.

Mr. SINCLAIR:

1. Has James Crithley been appointed postmaster at Sydney, C.B., to fill the vacancy caused by the dismissal of James White?

2. If so, is the said James Critchley the same person who has been recently re-elected president of the Liberal-Conservative Association of Sydney, C.B.

3. Under the rules of the Post Office Department, is it regarded as proper for a postmaster to act at the same time as president of the Liberal-Conservative Association for the district?

Mr. PELLETIER:

1. Yes.

2. The department has no information as to whether James Critchley has been elected president of the Liberal-Conservative Association of Sydney, C.B.

3. See answer to No. 2.

ANTIGONISH COUNTY ESTIMATES.

*Mr. CHISHOLM (Antigonish):

Referring to the following letter and the memorandum attached thereto:—

Office of the
Minister of Public Works of Canada,
Ottawa, December 28, 1912.

Senator Girroir,

My dear Sir,—Your letter of the 24th inst. addressed to the Minister of Public Works received, and in accordance with your request, I am inclosing you herewith a list of the items which have been placed in the Supplementary Estimates for Antigonish county for 1913-14.

Yours sincerely
(Sgd.) GEORGE BUSKARD,
Minister's secretary.

To E. L. Girroir,
Barrister,
Antigonish, N.S.

List of amounts for Antigonish county, N.S., noted for estimates, 1913-14:

Mr. ROGERS.

Main Estimates.	
Arisaig—Complete extension to wharf..	$3,000
Bayfield harbour—Repairs to wharf and breakwater..	2,500
Blue Rock—Repairs to breakwater.. ..	1,200
Breen's Pond—Construction of breakwater..	1,400
Harbour au Boucher—Repairs to wharf..	1,000
Malignant Cove—Repairs to breakwater	800
Supplementary Estimates.	
Cribbin's Point—Wharf and dredging.	15,000
Delorey's Beach—Breakwater, repairs and extensions..	14,700
Malignant Cove—Extension of piers and dredging..	4,000
McArra's Brook—Extension of boat landing..	1,700
McNair's Cove—Extension to wharf ..	5,500
Ogden's Pond—Sand grain and extension of pier..	2,800
South Lakevale—Extension of channel pier..	3,000
Auld's Cove—Protected channel..	15,000
Tracadie harbour—Improvements.. ..	27,000
Harbour au Boucher—Warehouse... ..	1,200
Breen's Pond—Extension to breakwater	14,500
Georgeville—New wharf..	90,000

1. Have the items mentioned under the heading Supplementary Estimates, or any of them, been placed in the Supplementary Estimates for Antigonish county for 1913-14, as stated in said letter?

2. If not, is it the intention of the Government to place these items in the Supplementary Estimates of this year?

Mr. ROGERS: The supplementary estimates have not yet been considered.

INTERCOLONIAL RAILWAY—BRANCH LINES.

*Mr. EMMERSON:

1. Is it the intention of the Government to announce at the present session of Parliament a policy respecting the acquisition of the branch lines of railway connecting with the Intercolonial railway, to be operated as a part of the Government system of railways? If so, will the announcement be made in time to permit any action being taken by the Government towards securing any of said branch lines of railway during the present calendar year of 1913?

2. Has the Government reached any general policy relating to the construction of new and additional branch lines of railway to connect with the present Government system of railways, which at present comprises the Intercolonial and the Prince Edward Island railway, and when will Parliament be advised of any such decision?

Mr. COCHRANE:

1. The matter is under consideration.

2. Answered by No. 1.

PROPOSED NORTHERN EXPEDITION.

Mr. LEMIEUX:

1. Is there any truth in the following despatch which appeared in the press on the 15th instant:—

Canada may send Steffanson to the Arctic Regions now.

Ottawa, February 15.—Negotiations which Vilhjaimur Steffanson is conducting with the Canadian Government for the financing of his northern expedition are progressing, and it is now practically certain that the start will be made in May.

A final understanding, however, has not yet been reached as to the terms under which the **expedition will proceed, but it is understood** that Steffanson has practically agreed to the Canadian Government assuming the sole direction. The amount of guarantee is placed at about $75,000.

The original idea was that the Government should make up the difference between what was guaranteed by the National Geographical Society, of the United States, and the American Museum of Natural History. From the **present outlook, however, this will be changed,** the explorer released from his American connections, and the whole trip be financed by the Canadian Government.

Steffanson expects to be absent three winters and four summers, if successful. He will go to the far north of the Canadian mainland to plant the flag and make scientific observations.

While the expedition will be under the immediate direction of the Geological Society, the Interior and Marine Departments will be interested. A number of Canadian students, temperamentally suited for the work and possessed of scientific knowledge, will be taken along. The explorer's idea, as he states it is to ' round off the map.'

Mr. HAZEN: 1. The matter is under consideration.

BUCKHORN BRIDGE.

Mr. BURNHAM:

1. (a) Did the late Minister of Railways and Canals cancel the obligation of the county of Peterborough to the late Government in the sum of $3,000 and the cost of maintenance of the Buckhorn bridge? (b) If not, why not?

2. (a) Did the late minister leave any record or direction in respect thereto in the Department of Railways and Canals? (b) If not, why not?

3. If so, what was the general report of the same?

4. Is the late Minister of Railways and Canals aware as to whether or not the late Government had acquired by expropriation or purchase all the lands required for the purpose of said bridge, and as to whether the purchase money therefor had been paid by the late Government?

5. Was it the intention of the late Minister of Railways and Canals to cancel the obligation mentioned? If so, what was to **have been the *quid pro quo* therefor?**

Mr. COCHRANE:

1. (a) No. (b) The department has no information.

2. (a) No. (b) The department has no information.

3. Answered by No. 2.

4 and 5. The department has no information.

Mr. GRAHAM: It is a little out of the ordinary, but this question seems to be directed to me, and the hon. member for West Peterborough (Mr. Burnham) has asked me to answer it from my point of view. I have no objection:

1. The minister had decided to recommend that it be done, but no Order in Council had been passed.

2 and 3. Impossible to recollect what records there might be in the department. Certain correspondence did take place between the department and the superintendent of the Trent canal, and between the minister and the Hon. J. R. Stratton.

4. The records of the department will fully answer this.

5. Yes. The reason for so doing will be found in correspondence between the department and J. H. McClellan, superintendent.

THE BIOLOGICAL BOARD.

Mr. CHISHOLM (Antigonish):

1. Who are the members of the Biological Board, what salary do they each receive for their work, what time do they give to their work, and what seasons of the year are they engaged in such work?

2. Have any reports of a practical nature been made of late, or at any time, by the Biological Board on the life, habits, the manner and time or times in which commercial fish reproduce their species? If so, have such reports been published in non-technical language and distributed among the fishermen of the maritime provinces? If not, why not?

3. Has the Biological Board accomplished anything of value to aid the fishermen in their calling? If so, in what way?

4. Is it intended to have the Biological Board conduct an inquiry as to the alleged detrimental effects upon the fisheries of steam trawling?

Mr. HAZEN:

1. Professor E. E. Prince, Chairman; Professor L. W. Bailey, University of New Brunswick, Fredericton; Rev. Abbe V. A. Huard, Laval University, Quebec; Professor A. P. Knight, Queen's University, Kingston; Professor A. B. Macallum, University of Toronto; Dr. A. H. MacKay, (of Dalhousie University) Halifax; Professor A. Willey, McGill University, Montreal; Professor A. H. R. Buller, Manitoba University, Manitoba. No salary is paid. Usually the summer months, from May till October; but the periods for each member of the staff are variable. The work commences as soon as the ice conditions and winter conditions permit, and continues until October, when the members of the board resume their professorships in the various universities.

2. Thirty-nine reports have been published by the board in three separate volumes, some of them treating of the reproduction and habits of commercial fish. The Chairman of the board has since 1895 published non-technical reports in the fisheries re-

ports of the Department of Marine and Fisheries. These have been published separately. In these reports some of the work of the Biological Board has been embodied.

3. The Biological Board has accomplished some very important results which must be of aid to the fishermen, especially on bait, water pollutions and on the feeding habits of fish—on oyster and clam culture, the temperature and density of sea water and other practical subjects.

4. Such investigation is being conducted by the department.

PARCEL POST.

*Mr. LEMIEUX:

What steps, if any, have been taken by the hon. the Postmaster General towards the establishment of a parcel post system in Canada?

Mr. PELLETIER: The Postmaster General has already twice given the information that this matter occupies the attention of his department.

DISMISSAL.

Mr. SINCLAIR:

1. Has James White, postmaster at Sydney, C.B., been dismissed?

2. If so, for what reason, and on whose complaint?

3. Was there an investigation?

4. If so, what are the names of the witnesses examined and the expenses of the investigation?

Mr. PELLETIER:

1. Yes.

2, 3 and 4. For political partisanship, by direction of the Postmaster General. No investigation was held because the facts were sufficiently to the knowledge of the department to render unnecessary the expense of an investigation.

UNOPPOSED AND UNDISCUSSED MOTIONS.

For a return showing in detail the quantity and values, respectively, of the imports and exports of Canada with Great Britain, United States, Australia and New Zealand, during the year ending March 31, 1912, in horses, cattle, sheep, hogs, bacon, hams, fresh and salted beef, lard, tallow, mutton, canned meats, butter, cheese, eggs poultry and apples. —Mr. Sutherland.

For a copy of all telegrams, letters, petitions, reports of engineers, plans, surveys, and other documents in the possession of the Department of Railways and Canals, and having been received since January 1, 1912, relating to the construction of a branch line of the Intercolonial railway into Guysborough county.—Mr. Sinclair.

For a copy of all letters, petitions, telegrams, complaints,evidence, reports and other papers and documents in the possession of the Marine and Fisheries Department, or any department of the Government, relating to the dismissal of Stephen C. Richard, lightkeeper at Charlos' Cove, N.S., and if there was an investigation, the names of all witnesses examined, a copy of the evidence, and a detailed statement of the expenses of such investigation.—Mr. Sinclair.

For a copy of all letters, petitions, telegrams, complaints, findings, reports and other papers in the possession of the Post Office Department, or any department of the Government, relating to the dismissal or discharge of James White, postmaster at Sidney, British Columbia, and if there was an investigation, the names of the witnesses examined and a detailed statement of the expenses of such investigation; also of all letters, telegrams, recommendations and other papers connected with the appointment of his successor.—Mr. Sinclair.

For a copy of all correspondence, papers, accounts, vouchers, concerning the purchase and subsequent repairs of a private car by the Department of Militia and Defence, from the Canadian Northern Railway Company.—Mr. Lemieux.

For a copy in duplicate of all letters, telegrams, petitions, applications, reports and other documents, together with a copy of all pay lists, with detailed statement of names of workmen employed, days worked and wages paid, in the possession of or on file in the Department of Public Works, or in any other department of the Government, relating or in any way appertaining to the expenditure made in connection with Gotros village wharf, county of Westmorland, New Brunswick, referred to in an answer given by hon. Mr. Cochrane to a question relating to said wharf, asked in the House of Commons on the 13th instant, as reported in 'Hansard' of that date.—Mr. Emmerson.

For a copy of all correspondence, letters, telegrams and other documents relative to the sale of alleged Indian lands at Nyanza, riding of North Cape Breton and Victoria, N.S., to one Philip McDonald, such sale having taken place about the year 1877.—Mr. McKenzie.

For a copy of all letters, vouchers and other documents generally, together with the detailed account relating to any fyled by Guillaume Narcisse Ducharme, for his service as commissioner of the Public Service Commission.—Mr. Lemieux.

NAVAL FORCES OF THE EMPIRE.

Consideration of the proposed motion of Mr. Borden for the second reading of Bill No. 21, to authorize measures for increasing the effective Naval Forces of the Empire, and the proposed amendment of Mr. Turriff thereto, resumed from February 18.

Mr. F. B. CARVELL (Carleton, N.B.): Mr. Speaker, I attempted last evening to give, as briefly as possible, what in my judgment was the history of the naval question in Canada from the beginning down to the first part of the year 1910. I referred generally to the attitude taken thereon by prominent members of the present Government, and quoted some resolutions, and some of the statements made by the right hon. gentleman who leads this

House, and by the hon. Minister of Trade and Commerce (Mr. Foster). I now propose to discuss for a short time the reasons and principles upon which we are asked to pass the present legislation. It is hard to reconcile all the statements made by hon. gentlemen opposite, and I do not intend to give a resume of the arguments made by every hon. gentleman on the other side of the House who has spoken on this important question. I do, however, wish to refer as briefly as possible to the arguments and statements made by the right hon. Prime Minister, who has introduced this Bill, and is responsible for it, as well as, to some extent, those of the hon. Minister of Trade and Commerce, and generally to the arguments made by hon. gentlemen who have given reasons why, in their opinion, this Bill should be passed. I desire to give also, if I can, some reasons on the other side, and I want to discuss them as fairly and frankly as I know how.

The cardinal principle or reason advanced by hon. gentlemen opposite as to why this Bill should be passed is that of emergency. If my hon. friends would come out flat-footed and say there is no emergency, then with all the evidence before the House and all the information before the country I think my hon. friends could not have the hardihood to press this Bill through and ask Parliament to make it law. We have discussed this question of emergency in the House for a long time. Away back in 1909 the question of emergency was discussed and I want to be frank and state that the hon. member for North Toronto (Mr. Foster), after making his masterful argument in 1909, as to the reasons why we should not adopt the principle of contribution but rather that of constructing, manning and maintaining our own navy, did admit, at the close of his speech, that if a matter of national emergency arose, a question of such vital importance that the country must act at once, we would be willing to do what was necessary under the circumstances. The next time this matter was referred to was by the Prime Minister on the Naval Service Bill of 1910. I shall read an extract from a speech made by that right hon. gentleman. He said:

It may be fairly asked what we would do if we were in power to-day with regard to a great question of this kind. It seems to me that our plain course and duty would be this. The Government of this country are able to ascertain and to know, if they take the proper action for that purpose, whether the conditions which face the Empire at this time in respect of naval defence are grave. If we were in power we would endeavour to find that out, to get a plain, unvarnished answer to that question, and if the answer to that question, based upon the assurance of the Government of the Mother Country and the report of the naval experts of the Admiralty were such—and I think it would be such—as to demand instant and effective action by this country, then I would appeal to Parliament for immediate and effective aid, and if Parliament did not give immediate and effective aid I would appeal from Parliament to the people of the country.

I submit that there is the proposition laid down by the hon. gentleman as the only ground on which he would be willing to ask a contribution for the Mother Country. That was followed up by a resolution now known as the famous amendment of the right hon. gentleman to the second reading of the Naval Bill of 1910. That amendment recited that the proposals made by the Government were inadequate, that it would be practically a separatist navy, although I think these words are not actually used in the resolution, and it concluded with an amendment to the effect that the Government should contribute at once to the British Admiralty a sufficient sum of money to provide two dreadnoughts of the most modern and powerful kind, thus clearly indicating that at that early date the right hon. gentleman had it in his mind that we would be justified in making a contribution only in case of emergency.

I come next to the introduction of this legislation in this House by the right hon. gentleman (Mr. Borden) on the 5th of December last. I have gone over the speech of the right hon. gentleman with great care and while I admit that the right hon. gentleman tried to induce the country to believe that there was an emergency, I cannot find any very strong arguments along that line in the speech itself. The right hon. gentleman has, I am glad to say, some respect for consistency. He realizes the very, very unpleasant position in which he is placed owing to his attitude from 1909 down to the present. He does not like to rise and say there is an emergency but he did go as far as he should go under the circumstances and very early in his speech he made use of these words:

I desire to express my warm appreciation of the manner in which we were received by His Majesty's Government, who took us most fully into their confidence on the great questions of foreign policy and of defence, and who accorded to us all relevant information at their disposal. A portion of this necessarily is of a very confidential character which cannot be made public; but an important part will be communicated to the House in a document which I shall lay on the table this afternoon.

Then he proceeded to read and lay upon the table of the House the document from the Admiralty. Later on, at page 707, he said:

It is neither necessary nor desirable in this place to debate or discuss the probability or imminence of war. The real test of our action is the existence or non-existence of ab-

solute security. We cannot afford to be satisfied with anything less than that, for the risks are too great.

He wound up his very important speech practically with these words, which will be found at page 693 of the revised edition.

The next ten or twenty years will be pregnant with great results for this Empire, and it is of infinite importance that questions of purely domestic concern, however urgent, shall not prevent any of us from rising 'to the height of this great argument.' But to-day, while the clouds are heavy and we hear the booming of distant thunder, and see the lightning flashes above the horizon, we cannot and we will not wait and deliberate until any impending storm shall have burst upon us in fury and with disaster.

Those are practically the only references made by the Prime Minister to the question whether there was emergency or need or imminent danger or any other word which you might coin for the present condition of affairs. Therefore I think I am justified in saying that the right hon. gentleman did not say that there was an emergency or use words to bear out that statement, but I think he went as far as he could to create that impression in the country and every hon. gentleman who has followed him on that side of the House has thrown consistency to the winds, has entirely forgotten or failed to recognize the arguments and facts that have been advanced and has simply come out and cried for an emergency contribution on the ground of this fearful German naval scare. And I think pressure has been brought to bear on my right hon. friend to such an extent that he himself is coming to the conclusion that if he wants to justify his conduct and this legislation before the country he will be driven to somewhat the same attitude. I know not what may have taken place within the inner circles and the caucuses of the Conservative party, I only know that every hon. gentleman opposite who has discussed this matter has come out without any hesitation in saying that there is an emergency on account of the prominence and strength of the German navy and that we should do this, not only to maintain the equilibrium of the British navy but to protect ourselves or the British Isles from danger and invasion, and they all say that in protecting the British Isles we are protecting ourselves, which, of course, is a truth. I find that so great has been the pressure brought to bear on the right hon. gentleman that when he spoke upon this question on Thursday last he took an entirely different attitude. Here is the statement made by the right hon. gentleman at page 3332:

And when the right hon. gentleman says, in the first place, that we are to do nothing until we can build ships ourselves, and, in the second place, that we are to do nothing until we can train men and have them ready to man these ships, he is not seized with an adequate conception of the situation, and he does not seem to be inspired by a sincere desire to do something at the moment of emergency.

My right hon. friend comes out now and says there is an emergency. My right hon. friend has joined forces with the Minister of Trade and Commerce and with every other gentleman who has spoken on that side of the House, except I must say the hon. member for North Waterloo (Mr. Weichel) who took a very different line of argument last evening from the other hon. gentlemen of his political persuasion. I commend my hon. friend for having the independence to state to this House what he believes at least to be the actual facts of the case. I wish some of my hon. friends opposite, who do not have German votes to look after, would be as frank with their constituents and with the country as my hon. friend from North Waterloo (Mr. Weichel).

Then, Sir, we come to the statement of the hon. the Minister of Trade and Commerce. If there is a man on the other side of the House for whom I have a sincere admiration, or at least, for whose ability I have a sincere admiration, it is the Minister of Trade and Commerce. I may be pardoned, perhaps, if I refer with some degree of pride to the fact that we were both born in the same province, and in the same county. I do not know whether any of his greatness has been reflected upon that portion of the county from which I come; but I do feel proud that a man of his ability, breadth of mind, and force of character, sprang from the little province of New Brunswick by the sea. When you come to argument and logic, when you come to the man who has got into a tight corner and must get out of it some way or other, the hon. the Minister of Trade and Commerce is the man who is able to do the trick, with a greater amount of ability than any other man of my acquaintance to-day.

Mr. CLARK (Red Deer): He can swallow himself.

Mr. CARVELL: He can do better than that; he can get round a thing without swallowing himself. Now, I am not going to refer at length to his speech of 1909, because it would be needlessly taking up the time of the House. But we do know that the hon. gentleman made a wonderful argument in favour of the Canadian navy. Who forgets that statement of his, after arguing the case as only he could argue it, after giving the pros and cons against the contribution, in favour of the construction of a Canadian navy. He wound up with these words:

We will then have some of our bones, some of our body, some of our blood, some of our brains, some of our national independence embodied in this policy.

Whereas we would have none of it if we attempted to carry out the policy of giving away money to the British Empire. My hon. friend felt that the only position open to him was to come out flat-footed and say that an emergency existed at the present time, but there was no way of getting away from his argument of 1909; there was no way of getting away from the argument he advanced from the beginning to the present time. My hon. friend was not in England when the right hon. the Prime Minister was there. He went to England later in the summer, after the right hon. the Prime Minister had returned, I think. My hon. friend the Minister of Trade and Commerce was not present at the conferences with the Admiralty. He did not hear the conversations between the right hon. the Prime Minister and the First Lord of the Admiralty. If he knew anything at all of what took place, he got it second-hand from the hon. gentlemen who were there; I presume from the Postmaster General. I have no doubt that the Postmaster General was best qualified to tell my hon. friend the Minister of Trade and Commerce exactly what had taken place on that memorable occasion.

Now, I want to read the statement made by the hon. the Minister of Trade and Commerce (Mr. Foster) on this occasion, and to put it alongside of the statement made by the right hon. the Prime Minister. It will be found on page 1416 of Hansard':

My right hon. friend and members of his Cabinet went to Great Britain. They spent two months there, and they were not idle. They saw the officers and Lords of the Admiralty, and the secrets and policy and condition of the Empire were laid before them. They not only had statistics and figures and expert advice, but, what is still more valuable, they drank in the atmosphere surrounding men whose whole lives and whole purposes were devoted to the needs of the Empire, the condition in which it was, and the conditions in which other countries were, which is more valuable than dry statements or tabulated figures. After going through this process, my right hon. friend came to the conclusion that there was a danger, that there was a need for immediate and effective help. He came back to this Parliament and laid before it all the proofs he could, and gave to the House his own conviction as leader of the Government. He could not lay more before the House, because it is not permitted; but let no man run away with the idea that the statistical statements contained in the memorandum of the lords of the Admiralty which has been prepared for publication, was all, or even the most important part, of the information obtained. But, Sir, from the memorandum of the British Government, and from that deeper and more intimate source, he says to this House and to this country: There is a need, and it is pressing. I believe in giving the most effective aid in the face of that need, and I say to the people of my country I know the trust that is committed to me. I hold a little more than Canada's welfare in that trust; I hold some part of the welfare of the Empire. Whatever men may say or whatever men may do, the destinies of Canada are absolutely and irrevocably bound up with the destinies of the Empire. On my knowledge as given to you, on my knowledge as possessed but which cannot be disclosed, in pursuance of the sacred trust of a privy councillor and the leader of the Government in my country, I ask Parliament to pass this vote.

These are the statements which the Minister of Trade and Commerce put in the mouth of the right hon. the Prime Minister, but they are not statements which the Prime Minister himself would make. The right hon. the Prime Minister did not make them. My hon. friend the Minister of Trade and Commerce, with all his agility and ability, in effect comes out, as I said before, flat-footed, and takes the ground that there is an emergency, and that this country is not only justified but bound to meet the conditions which exist at the present time.

There is one statement, however, to which I must refer before passing on, and that is as to the atmosphere which my hon. friend found when he was in London. Why, Sir, you can find an atmosphere in London that will satisfy the longings of any Imperialist at any time he cares to go there. If my hon. friend had gone there four or five years ago, he would have found the air permeated with the idea that the Liberal Government was being driven to destruction because they were trying to take taxation from the poor man and to put it on the rich. If my hon. friend the Minister of Trade and Commerce had gone to London in those days he would have come back and said: This is in the atmosphere; this cannot be done, because, it is in the atmosphere. But it was done, and, by Lloyd George's taxation, many millions of taxes, about which my hon. friend from Hastings (Mr. Northrup) spoke so gloomily last evening, were shifted from the shoulders of the poor, down-trodden labouring men, and placed, where they belong, on the shoulders of the rich; not to the extent that they should have been, I submit, but to some extent. I say that the atmosphere was furious with opposition to that scheme. I can imagine what my hon. friend would have found if he had associated with the members of the House of Lords at the time when Lloyd George's first budget was thrown out. I was in England when the Veto Bill was under discussion, and I found the atmosphere furious. Other members of this House were there, and they found the same atmosphere. It was not only

furious but electric with the feeling that the Liberal Government was going to be driven out of power and that the Tory party were going to come back to power. The idea of the House of Lords voluntarily voting away their right to legislate on any important subject, and especially on one which affected the right of taxation in respect to their properties as against the property of the poor, was not to be thought of. But Sir, the storm passed away and if my hon. friend had been in England one month later, in 1911, he would have found an entirely different atmosphere; for while the hon. the Minister of Trade and Commerce and myself were on the ocean, the House of Lords gave in and passed the Veto Bill with the result that the House of Lords practically ceases to have any power, if the Commons desire to have their way.

Then, again, if he had gone to England—yes, he was there when the great question of Home Rule was under discussion. There he found another atmosphere. He found there an atmosphere which said that rather than submit to home rule being forced upon the people of Ireland they would rebel. He found members of the House of Commons and of the House of Lords standing up in the north of Ireland and advocating open rebellion. He even found physical force; he found men who were drilling, who had been supplied with arms and ammunition, who were going to resist this measure to the death. When he had stayed there two or three months longer he found another atmosphere because he found that the great Unionist city of Londonderry, which, it was declared, would stand by the men who were going to disrupt the British Empire rather than submit to Home Rule, actually elected a supporter of Home Rule. He also found that the great province of Ulster was represented in Parliament by a majority of men who were in favour of Home Rule.

Perhaps you will pardon me, Mr. Speaker, for digressing as I have done on this question, as I felt that it was necessary to show with what agility they create these atmospheres on the other side. When my right hon. friend and his colleagues had left Ottawa they commenced to create an atmosphere in England and that atmosphere was a demand for a contribution of money or dreadnoughts. Thousands of pounds were spent in creating that atmosphere. That atmosphere was created by articles in the British papers, speeches made by British statesmen and by cabling these articles and speeches across to this country. We found these first in the Montreal Star and then we found them sent broadcast all over the country to the Conservative papers from the greatest to the smallest. The atmosphere was created; when the right hon. gentleman got to England he found everything ready for him. He was at once taken up by the Unionist clubs, he was wined and dined, he was given to understand that the only thing that would do them any good would be a contribution and, in that frame of mind and under these conditions, he went to the Admiralty. The people of England are a pretty bright lot; they are not all la-de-das, they do not all wear a round pane of glass over one eye, they have got two eyes, they keep them open, they have been keeping them open for a long time and they are perfectly familiar with what the attitude of the Canadian Parliament was in 1909 because it is referred to in the memorandum. They knew what the attitude of the Conservative party was in 1910, they knew about the amendment which the right hon. leader of the Government had moved when he was leader of the Opposition, they knew the attitude of the Liberal party, they knew about the Naval Service Act which had been passed by the Canadian Parliament, they knew that the Liberal Government had been defeated in the election of 1911, they knew the attitude of the Nationalists, they knew that the Nationalist allies of the right hon. leader of the Government would never allow this country to inaugurate and support a Canadian navy, they knew, in as plain language as it could be stated to them, that the only thing that this Government could do was to make a contribution.

With all this knowledge before them, with the knowledge that the Conseryative Government could not build warships would not build warships, with the knowledge that the only thing that they would be allowed to do by their Nationalist allies was to make a contribution—with this knowledge and under these conditions, the right hon. gentleman and his colleagues go to the Admiralty and say: With these restrictions, stipulations and conditions, what can we do for you? I wonder if anybody is surprised at the answer which they received from the Admiralty. It would have been a surprise to me if they had received any other answer. The Admiralty discusses the matter purely from an academic standpoint. The Admiralty is not changing base very much from its position in 1909. I read last evening to the House what was the attitude of the Admiralty in the McKenna memorandum issued in July, 1909, before the conference was held. I wish to read it again to show what the attitude was at that time:

If the problem of Imperial defence were considered merely as a problem of naval strategy it would be found that the greatest output of strength for a given expenditure is obtained by the maintenance of a single

navy with the concomitant unity of training and unity of command.

Then they go on to say that this might be satisfactory in one part of the Empire and not in another and therefore they discuss other methods and lines of action. When the right hon. the leader of the Government went to London in 1912 he said to the Admiralty: What can we do? It may be said that the Admiralty went back on their position but it was just what the manager of a great corporation or of a great work would do. Suppose this Government create a commission, tell them to go on and construct a public work and ask them what they want; they want to do the thing in their own way, exactly as the Admiralty wanted to do it, but the Government point out to the commission that there are certain reasons why they cannot do this and that. Then the commission will be reasonable and will come round and say what should be done. It is precisely the same with the Admiralty. The Admiralty say: Now, we have our chance to get exactly what we want as the managing board of the Admiralty—not the British people. I do not believe that it is what the British Government want, and I will try to prove to you later on wherein I make that distinction. But it is what the lords of the Admiralty, who are simply looking at this question from the one standpoint, say. They say: Give us, not dreadnoughts to use in the British navy —you cannot find it in the document—but they say, and I want to quote their words exactly:

The Prime Minister of the Dominion having inquired in what form any immediate aid that Canada might give would be most effective, we have no hesitation in answering after a prolonged consideration of all the circumstances that it is desirable that such aid should include the provision of a certain number of the largest and strongest ships of war which science can build or money supply.

What else could they have said? The right hon. gentleman asks them: What can we do for you immediately? The Admiralty knew that we could not build ships in Canada immediately; the Admiralty never asked us to do it immediately, but the right hon. gentleman asks: What can we do for you immediately and he gets the only answer that the Admiralty can give them. They say that you can contribute a number of battleships. They could not give any other answer and had any other body of men been in their positions they would have given exactly the same answer. It is true that the Admiralty make an argument to convince the people of Canada that they should make this contribution. They give us a statement of the condition of the British and German navy at the present time. They state what the British navy will be in 1915 and what the condition of the German navy will be in 1915, but there is a most remarkable omission in this memorandum which I do not think has been alluded to before, and I propose to allude to it now. The most remarkable thing in this memorandum is that, while the British Admiralty tell the people of Canada in this memorandum what the German navy will be in 1920, they are absolutely silent as to what the British navy will be at that date. I do not know. There may be two reasons. I am inclined to take the latter of the two. The first reason would be that they want to induce Canada to do something more than they would do themselves. I think the true reason is that they do not want to expose to the world exactly what their plans are to be for the next eight years. They have not given out their plans, and even in this memorandum there is not one word as to what the conditions will be in 1920. All we have is the condition which will exist in Germany at the end of the year. I have given so far as I know every argument that has been or could have been put up in favour of this contribution.

I want now to take up the other side of the case for a few minutes, in reference to the question of emergency. Notwithstanding the lamentable statement made by my hon. friend from East Hastings (Mr. Northrup) last evening, we know that Great Britain is the banker of the world. We know that it is the richest country on earth. We do not believe that millions of people there are facing starvation. We know that in the last five years the British have been able to reduce their national debt by about $50,000,000 a year; and that they have been able to pay all the expenses of government and to carry on their naval programme to a greater extent than has any other nation in the world. We know that they have been able to do all this out of revenue, and they state publicly that they are going to continue to do this.

We know that the Lords of the Admiralty have no fear whatever as to the outcome of this naval question between Great Britain and Germany. On this side of the House we believe that no emergency exists. I think we have the facts and figures to prove it.

The hon. member for North Waterloo (Mr. Weichel) made some reference last evening to the statements made by the Right Hon. Winston Churchill when discussing the naval proposals in the British House of Commons on the 22nd of July last. That speech has also been referred to by a number of hon. members who have taken part in this debate. I have here a quotation, which to my mind is the pith

of the whole matter. This was made after the German Naval Bill of 1912 was made public, and after the ministers from the Dominion of Canada had been to London, asking as to what they could do in the way of immediate assistance to the British navy. You will find it in the English Parliamentary Debates, Volume 41, July 22, 1912. After having discussed to some extent what the British proposed to do and what the German Naval Bill proposed to do, he uses these, to my mind, very common-sense suggestive words:

Cool, steady, methodical prepartion, prolonged over a succession of years, can alone raise the margin of naval power. It is no use flinging millions of money about, on the impulse of the moment by a gesture of impatience, or in a mood of panic. Such a course only reveals your weakness and impotence. Those who clamour for sensational expenditure, who think that the kind of danger with which we are faced needs to be warded off or can be warded off in that way, are either ignorant themselves of naval conditions or take advantage of the ignorance of others.

Where can you find the whole pith of the matter boiled down in as few words and as appropriate words as these? He tells the British people: There is no need to get nervous over the matter; we have it well in hand; what is the use of flinging away millions of money? You fling away millions of money, the argument would be, in vessels which are not necessary; you increase the cost of upkeep and these vessels will become obsolete in a short time. Better take a cool course and meet the conditions as they arise. It seems to me that Winston Churchill had in his mind conditions, which neither the British people nor we knew; but which have come to light during the last two or three weeks. It is well known that prior to that time, Winston Churchill had gone to Germany and prior to that he had stated to the British public and to the world at large what Great Britain intended to do, that they intended to maintain the supremacy of the British navy upon the high seas. We find now that the statements made by Mr. Winston Churchill at that time were made with a knowledge, which was not possessed by the world at large; but which is now coming to light. I find it in a dispatch in one of our Ottawa papers on the 8th day of February, 1913, as follows:

Naval Pact in Germany may end Armament Race—Significant Utterances of German Admiral Von Tirpitz in Addressing the Reichstag.

Berlin, Feb. 8.—The Budget Committee is now discussing the naval estimates for 1913. According to the semi-official Lokalanzeiger, Admiral Von Tirpitz informed the committee that a 'sensible agreement' between Great Britain and Germany with reference to the strength of the respective navies would be 'something to be welcomed.' If he has been accurately reported, his declaration is the first official admission from a responsible quarter that Germany considers an agreement of any kind with Britain as within the range of practical politics.

Admiral Von Tirpitz's statement before the Budget Committee regarding German and British naval strengths was equally remarkable, when he said that there need be no misgivings regarding the maintenance of such a standard of naval power between Britain and Germany.

My hon. friends opposite should consider that article. We find next a statement from the Vossiche Zeitung, a very prominent and important German paper:

The Vossiche Zeitung treats Tirpitz's statements as a formal announcement that an Anglo-German naval agreement has actually been reached. The Berliner Neuste Nachrichten, the organ of the German Navy League——

That is the jingo element in Germany. They have a jingo element in Germany as as well in England and Canada.

—states that Germany is on the verge of a 'decisive change in her entire naval policy,' and urges Parliament to weigh well whether it would not be better to retain 'freedom of action.'

Like all other jingo elements, it is opposed to such a change. In the face of this, how can any member come to any other conclusion than that Winston Churchill knew what he was talking about when he counselled sane commonsense and reasonable action in the British House of Commons on the 22nd of July, 1912?

Mr. BURNHAM: Is the hon. member in favour of an Imperial navy, and, if so, would it not be advisable to consult the other parts of the Empire before adopting any policy?

Mr. CARVELL: I will have great pleasure in answering the question later on, because I intend to discuss that branch of the subject. When my hon. friend asks me if I am in favour of an Imperial navy, I say that I most certainly am. He would be a mean Briton or a mean Canadian who would not be in favour of an Imperial navy. I am in favour of more than that! I am in favour of a Canadian navy as well. My hon. friend's question is a very fair one, and I will answer it later on.

We have more evidence on this question. I find another strong, and to my mind unanswerable reason why we should not proceed with this legislation at the present time, entirely apart from the reason put forth by my hon. friend from Assiniboia (Mr. Turriff). The British labouring people are not entirely asleep over these questions. They pay their share of the taxes, although not as much as they used

to; but they feel that if some of this money, instead of being devoted to naval armaments, were devoted to greater old age pensions, greater insurance, and such things as would ameliorate the suffering among the poorer people of Great Britain, it would be a much better world in which to live. Therefore, they have views upon this subject. Everyone of them on the other side from Mr. Bonar Law and Mr. Asquith down to the ordinary labouring man, knows and feels that England is safe, that she is looking after her own interests and does not require any of the colonies to look after her affairs; and they know that they can trust their parliament and government to do what is necessary for the country's protection. One of the most impressive things that I have seen in this connection took place at a conference held in London, a meeting of the independent Labour party, the Parliamentary Labour party, trades unions, trades councils and the Fabian Society. The delegates assembled represented two millions of Labour-Unionists of Great Britain. Think of it—a conference representing two millions of Labour-Unionists. And here is the statement made by the president in his opening address, he being not only president of the society but also a Labour member of Parliament:

Mr. G. H. Roberts, the Labour member for Norwich, presided, and, in the course of his presidential address, made the following reference to Premier Borden's offer of battleships to the Mother Country:—

Much comment is evoked by Canada's offer to furnish this country with three battleships. Did the Dominion elect to build, man and maintain its own navy we would not interpose. But a gift which greatly adds to our annual expenditure is open to criticism. Accepting Government assurances that our defensive forces are sufficient and efficient, these three vessels must be in excess of requirements. Besides which giving the colonies representation on the Imperial Defence Committee is a departure fraught with such far-reaching consequences that it must be subjected to searching inquiry. In resisting unnecessary and provocative armaments, which squanders wealth otherwise badly needed, we have the glorious consciousness that the future peace, happiness and well-being of the world's millions largely depend on our exertions.

I commend this paricularly to my hon. friend from North Waterloo (Mr. Weichel). If this had been brought to his attention in time, I think he would have made it known in this House. I have given it here because it comes from a body of men such as I have described, who believe that the British Government is amply looking after their affairs, men such as those who for five hundred years have never failed, when the standard of Britain was in danger to pledge their lives for their country's security. These men say that such a contribution as ours is unnecessary. But I have more than that. I have an editorial from the London Daily News of February 8. Now, this is not ancient history but something of very recent date. I do not intend to read the whole article, it would take too much time. But I commend it to the very careful consideration of hon. gentlemen opposite. I hope the right hon. the leader of the Government himself will take the trouble to read the article, because there is more in it than I have seen in any article published on the naval question either in this country or across the water. The article discusses first the recent statement made by Admiral Von Tirpitz:

Admiral Von Torpitz speech, if we understand it, was not a whit less important than his colleague's.

One of his colleagues in the Reichstag.

Referring to Mr. Churchill's speech on March 18, he said that as head of the German navy, he had no objection to Mr. Churchill's ratio between the English and German fleets of 16 to 10. This statement implies, firstly, a renewal of Germany's assertion that she does not desire to contest British supremacy on the seas; and, secondly, a quite new declaration that the ratio of 10 to 16 secures that object of self-defence which Germany has in view.

This is Admiral von Stirpitz, who, as I understand it, is in charge of the naval affairs of the German Government, stated publicly that he had no exception to take to Mr. Churchill's proposed ratio of sixteen to ten, that is, sixteen British ships to ten German. The News discusses this to some extent, and finally we come to the Canadian end of it, and this is my justification for reading it here this afternoon:

Clearly, if the standard of 16 to 10 is acceptable to Germany after having been formulated by Mr. Churchill, there is very powerful reason for remaining faithful to it. Are we doing so? Two circumstances suggest a doubt. There is firstly the complication of the Malay-Canadian battleship; there is secondly the report that our programme of construction in the current year will be larger than foreshadowed by Mr. Churchill last year. Upon the second circumstances, so long as it rests upon rumor, there is no need to dwell; but the first requires comment. Mr. Churchill has said that the Malay-Canadian battleships will be additional to the English programme; they must therefore increase the ratio to more than 16 to 10. We have repeatedly emphasized that so long as we have to man and maintain the colonial ships without any corresponding reduction of our own programme this Colonial assistance imposes an additional burden upon the British taxpayer. If in addition we drive Germany into enacting new navy laws, and revive a competition when it promises to stop, then it will be admitted that the policy of counting the Colonial ships added to the Imperial fleet as external to the British programme is a very costly one.

The course indicated by prudence and wisdom is two-fold. We should discourage gifts to the British navy and encourage the dominions to build local navies. The German authorities, precisely because they announce their fleet as intended for defence, could not count the local navies of the dominions under local control as additions to the British navy or in any way increasing the potential danger to German security. German naval apprehensions must be wholly European, and the dominion navies are wholly extra-European. It follows, therefore, that Canada would be doing the best for herself and for this country and for the peace of the world if, instead of presenting three battleships to the British navy, she followed the example of Australia and developed a local navy of her own.

That is a statement, as I have said, which, in my judgment, should be considered very carefully by hon. members of this House. When a great newspaper like the London Daily News, which is not a provincial paper, but one of the great journals of the world, read, probably, by as many people as any other paper in Great Britain except possibly The Times, comes out and practically tells the Canadian Government that they are not helping but actually injuring the British Empire by the course they are taking, it is time that hon. gentlemen opposite should drop their jingoism, get out of this atmosphere that they found in London, and come back to reason and common sense. It is time for them to drop this Bill, and as my hon. friend from Assiniboia (Mr. Turriff) said, redistribute the seats and, if they are bound to have a decision, let the people say what we are to do on this subject.

But we have more evidence. I have given only a small portion of it, and I will not give much more, for to do so would take up more of the time of this House than I should be justified in occupying. But I wish to give a little more. A great deal of jubilation on the other side occurred over the attitude of my hon. friend—and I do treat him as a friend—the hon. member for Sunbury and Queens (Mr. McLean), a gentlemen with whom I have been associated in political matters for many years. That hon. gentleman took the course which he thought proper, and I do not intend to enter into any argument with him. But we are indebted to the hon. gentleman for a lot of facts which, if properly digested, present cogent reasons to this House why we should not go on with this proposition but should come back to sane common sense. The Admiralty memorandum was given to the present Government, I believe, at their earnest importunity; and I have a suspicion that they could not get what they wanted the first time and sent the Minister of Trade and Commerce (Mr. Foster) back to get it—the Minister of Trade and Commerce is the man, I think, it will be found who turned the trick. But they only discussed dreadnoughts in the Admiralty memorandum. They absolutely threw to the winds everything which had to do with the navy, except dreadnoughts, and they only compare the dreadnoughts of Britain up to 1915 with those of Germany up to 1920. I now intend to present to the House a number of statistics submitted by one in whom hon. gentlemen, I know, have the most absolute faith. I believe that they are absolutely correct, and that, when read by members of this House and the people of the country, they can be relied upon as being the very essence of the facts with regard to the naval situation. The conditions revealed by the tables presented by the hon. member for Sunbury and Queens (Mr. McLean), are wonderful indeed, and one could talk for two hours on a matter and yet not exhaust all the information contained in them. According to one of these tables, I find that the total number of the ships of Great Britain is six hundred and fifty-five, and of Germany, three hundred and sixty-four. I am satisfied that the hon. gentleman obtained this information from reliable sources, and that he would not place these tables on 'Hansard' if he had not verified them, and had not considered them absolutely reliable. Great Britain, six hundred and fifty-five; Germany, three hundred and sixty-four—and yet hon. gentlemen say we must reverse the common-sense policy adopted by this Parliament in 1909 because Britain is in danger; because there is an emergency! Ah, Mr. Speaker, it is because there is an emergency in the Tory party of Canada! I may have more to say about that later on.

I now come to the next table, wherein I find that the hon. member has not dealt with things small and niggardly, but with the very best fighting machines that sail the waters of the earth to-day. The next table discards everything except the twenty-five most up-to-date, modern, invincible fighting ships afloat. Of that total of twenty-five, we find that Great Britain possesses twelve, and Germany two. These are battleships with a speed of twenty-one knots and up. The next item refers to battle cruisers of twenty-eight knots and up. There are only a dozen of these vessels in the world to-day, and of that dozen, Great Britain possesses six, and Germany three. Of armoured cruisers there is a total of twenty-five, with a speed of twenty-three knots and up, Great Britain possesses seventeen, and Germany two. Of a total number of protected cruisers of twenty-four, with a speed of twenty-five knots and up, Great Britain possesses fourteen and Germany four. Of the fastest destroyers in the world, a total of twenty-five, with a speed of thirty-three knots and up, Great Britain possesses ten and Germany four. Yet hon. gentlemen state, in the face of such a re-

markable supremacy as that, that an emergency exists, and that this country should give $35,000,000 to Great Britain, imposing a burden upon the British taxpayer which he does not want. That is Canadian Tory jingoism in its very essence!

Hon. gentlemen opposite, especially the hon. member for East Hastings (Mr. Northrup), discussed this question as though the whole world were arrayed against Great Britain; as though it was the duty of British statesmen to place the Empire in such a position as to enable it to cope with any possible combination. I do not think this is a reasonable position to take; I do not believe it is necessary to have a fleet on every sea and ocean in this world, all of them greater than those of all otner nations combined. It is not commonsense—it is foolishness, and I do not think hon. gentlemen can expect that such an argument can be accepted as anything but foolish. Does any one believe, after what took place in Manilla bay not more than a decade ago, that the United States would stand by and see the British Empire demolished? I am not relying upon the Monroe Doctrine; I am relying upon the ordinary sense of humanity existing between the different sections of the Anglo-Saxon race. I am discussing only what might reasonably happen. I am not considering the United States as an ally of Great Britain, but simply state that I do not believe the United States would stand idle and see the British Empire smashed by any of the great military powers of Europe, if that were possible. When I read these figures, and observe the enormous supremacy of the British Empire over the rest of the world, I cannot but come to the conclusion that Great Britain does not require the assistance of the United States or anybody else. We have the entente cordiale in Europe, between France and England, and would any hon. gentleman state that France would sit idly by and see Great Britain smashed? By no means. I think my hon. friends are not doing themselves justice in discussing this question entirely from the German standpoint. I know not what Russia would do, but it is generally understood that Russia is in combination with France and Britain to-day, and we know that tnere is also an alliance between Great Britain and Japan. If, for any reason, this alliance should be broken, does any hon. gentleman say we should assume that splendid isolation which was discussed in this Parliament many years ago, and be in a position to defend ourselves against every combination?

Again referring to the tables submitted by the hon. member for Sunbury and Queens, I wish to refer to the condition of affairs which, it is supposed, will exist in Europe in 1915. Taking into consideration the dreadnoughts of the six great fighting nations, what do we find? Britain will have thirty-six dreadnoughts, France ten, and Russia four—a total of fifty. On the other hand, Germany will have twenty-three, Austria four, and Italy six, a total of thirty-three. These figures do not take into consideration torpedo boats, destroyers, protected cruisers, second-class cruisers, and other component parts of the great flotilla of vessels going to make up a navy.

Hon. gentlemen talk glibly about what the personnel of the Germany navy will be in 1920; but 1920 is a long way off, and many things may happen before that time. I wish to talk about conditions as they are to-day. According to these tables, there are 134,000 officers and men in the British navy, and the Germans have only 60,805, and even if the latter country proceeds with its present programme up to 1920, eight years hence, and even if Britain stands stock still during tnat period, Germany will have only 102,000 men as compared with our 134,000. In the face of such a condition of affairs as this, who can say there is an emergency, or that it is necessary that we should give $35,000,000 to Britain when it is not required?

I have a lot of data before me, but I will not weary the House by putting them on 'Hansard,' although I could go on almost indefinitely piling up evidence against the statement that a condition of emergency exists in England to-day, and that we should enter into tnis unreasonable, and I think, almost unconstitutional expense of $35,000,000 of our money.

I am sorry that the right hon. Prime Minister is not in his place, as I wish to ask him some questions; but I trust that one of the ministers present will bring them to his attention. I have tried to place before the House all the evidence we have in favour of the existence of an emergent condition of affairs, and as against that I have read some facts that have come to light tending to show that no such condition exists. My right hon. friend intimated in his speech, and the hon. member for North Toronto (Mr. Foster) stated that in their conversations with the British Admiralty they had obtained some secret information—something of a terrible nature, something which showed the Empire to be almost on the verge of collapse, something which makes it necessary to take immediate steps materially to increase the naval defences of the Empire. I hope the Minister of Finance will do me the honour of asking his leader to state to the House whether anything new has come to light, whether he has any information in addition to what he gave us, whether he knows anything about the alleged agreement between Germany and England, which provides that the ratio shall be as

sixteen to ten. If he cannot do that, will he not give the information to the right hon. leader of the Opposition, who is a privy councillor, a gentleman in whom he must have confidence, a gentleman who is sworn to regard as secret any information that comes to him in that way, in order that we will be able to take from him —not the facts, he could not disclose them, but his conclusions as to whether the facts as narrated do create an emergent condition of affairs? After exhausting every particle of information we have on the question to-day there is no man who can logically reason this matter out and ask any jury to come to the conclusion that there is any reason for this preposterous legislation.

Coming as I do from the Maritime provinces, I have not only a feeling of disappointment, but I might almost say a feeling of animosity, against the members of this Government for the way they have treated the maritime provinces and Quebec over this question of the naval defence of the Empire. Apart from the emergency portion of my right hon. friend's speech, to my mind the next most important part was his statement that we cannot build ships in Canada, that it is an impossibility to build ships in Canada for from twenty-five to fifty years. I find that this idea is not new in the mind of the right hon. gentleman, I find that he voiced the same sentiments in 1910 although at that time he was a little more modest than he is to-day and only limited the range of possibility to fifteen or twenty years. Now he makes it twenty-five or fifty years. I tell my right hon. friend and his followers that when he makes that statement he is practically insulting the intelligence of the people of this country. Go up to the great lakes; you will find there steel ships being built to-day practically as long and as big as a dreadnought and not very different.

Mr. CROTHERS: Oh, oh.

Mr. CARVELL: My hon. friend laughs. He should go up and look for himself.

Mr. CROTHERS: I have been there.

Mr. CARVELL: And you know it, of course you know it.

Mr. CROTHERS: I do not know anything of the kind.

Mr. CARVELL: I do not say they are dreadnoughts; I say as big as. And after all what is a dreadnought? A dreadnought is simply a combination of steel in various forms, that is all there is to it. You start with the keel. There is no real difference between the keel of a dreadnought and a torpedo boat destroyer. The only difference is that one is bigger and broader and longer than the other, but they are only made of sections of steel and we have the steel in various places in Canada, and mechanics with sufficient skill to make the keel of a cruiser and therefore with sufficient skill to lay the keel of a dreadnought. Then you have ribs and after that a steel frame riveted together. That frame is covered with boiler plate just as in a merchantman plying on the great lakes. Thus far I think even my hon. friend from Lincoln (Mr. Lancaster) will agree that we have the means in Canada to-day to do that much of it. But if my hon. friends from the maritime provinces want any further information or proof let me give it to them. In 1911 tenders were called for the construction of ten vessels for the Canadian navy, four cruisers and six destroyers. Various British firms were invited to tender and five or six British firms did tender. Among them was the firm of Cammell, Laird & Company, of Birkenhead, and Vickers, Maxim & Son. Vickers, Maxim & Son have said within the last three months that they are prepared within a year to lay down the keel of a vessel which you can describe in the port of Montreal. I have not actual proof of that, I am only speaking now of what has appeared in the papers and has been said in this House. But I shall tell something I know something about. In the summer of 1911 a provisional contract was drawn up and executed between Cammell, Laird & Company and Norton-Griffiths & Company, of London, and the condition was that if Norton-Griffiths & Company were the lowest tenderers, and secured the contract for the construction of the harbour works and drydocks in St. John, and Cammell, Laird & Company were the lowest tenderers and received the contract for the construction of the Canadian naval vessels, they would commence the construction of those Canadian vessels in St. John within a year of the signing of the contract. Norton-Griffiths & Company were the lowest tenderers for the harbour works and dry-docks at St. John, they got the contract, they are to-day carrying on the work and have a large portion of the excavation already done. Cammell, Laird & Company were the lowest tenderers for the construction of the naval vessels. That was a matter of public knowledge. When the late Government went out of power they returned all the cheques accompanying the other tenders and left in the hands of the new Government the cheques of Cammell, Laird & Company and Norton-Griffiths & Company, leaving it open to them to go on and make the contract with the lowest tenderers. In the tender of Cammell, Laird & Company to this Government they agreed that within a year of the signing of the contract they would lay down the

keel of the first vessel and within two or three years deliver the finished article. If the hon. members want to secure confirmation of what I have said they can do so from the representatives of these firms in Montreal. Hon. gentlemen opposite say it would cost us so much to erect a ship-building plant. I shall not go into that because the hon. member for St. John took the trouble to go to a modern ship-building plant on this continent not 500 miles away from Ottawa, where they are building dreadnoughts, where they started on an open field ten years ago and since then have built something over 100 vessels —and they are building dreadnoughts of the very highest type which science can devise or money supply. They have erected a shipyard and done all that in twelve years. They erected a shipyard in two or three years and they have turned out over one hundred vessels in twelve years. I can tell you more than that. In the negotiations with Cammell, Laird & Norton-Griffiths, it was understood that one million dollars added to the cost of the dry-dock for which there is a contract by this Government now, would have enabled you to build these naval vessels. If the Government had signed that contract as they should have done, as the hon. the Minister of Marine and Fisheries should have done, one million dollars, over and above what this Government has provided in the way of a dry-dock, would have been all that was necessary to carry out the construction of these vessels.

Mr. WILCOX: Why did the late Government not sign it?

Mr. CARVELL: My hon. friend is asking a question that has been answered a great many times. There was an election on the 21st day of September, 1911. Does the hon. member know about that?

Mr. WILCOX: Yes.

Mr. CARVELL: I thought he would. You always get a response from the other side when that is mentioned. The tender was submitted to this Government in the month of May. It was taken to England by the then Minister of Marine and Fisheries who consulted with the Admiralty. He did not return to this country until some time in July. The House was in session, but on the 31st day of July, I think, Parliament was dissolved, and the late Government were too good constitutional advisers of His Excellency to ask him to sign a contract of that magnitude in face of going to the people. But they left that $100,000 in the hands of the department, and when the new Government came in, they found it there, and they had not only the right, but the duty to sign that contract. But I am sorry to say that they were recreant to their duty, and the city of St. John to-day is not receiving and will not receive the advantage to which it is entitled, and the Dominion of Canada will not receive the advantage to which it is entitled by reason of the present Government's failure to act.

Mr. McCURDY: How does the hon. gentleman reconcile the statement which he has just made with that made by the right hon. the leader of the Opposition in this House on December 12:

I say now that the Government in power would have been better advised if they had awarded the contracts, and had they done so, we would at the present time have under construction on the stocks at Montreal four cruisers and six destroyers.

Mr. CARVELL: It is not my business or duty to reconcile the statements. I have only given the facts as they exist to my knowledge. I have only given to this House some information which I think may convince even the most sceptical, that we can build ships in Canada. It is not a question of where you are going to build them. My right hon. friend says we cannot build the ships in twenty-five years. I say we can, and I am trying to give you my proof, and I think I will even convince my hon. friend from Queens and Shelburne that I have some reasonable ground for what I say. We can build the ships in Canada, and if the Government had done their duty we would have been building the ships in Canada to-day. I think that is an answer sufficient to satisfy even my hon. friend from Queens and Shelburne.

But they say not only that we cannot build the ships in Canada, but that we cannot manufacture the guns in Canada. I think that is right. But they do not manufacture the guns at Fore River. They do not manufacture the guns on the Clyde. They do not manufacture the guns at Belfast, at Harland & Wolff's. We were all through their establishment; in fact when I was in the Old Country there was not a ship-building firm that did not try to impress the Canadian representatives with the view that they were the only people in the world who could build ships. We went through a number of establishments, and we got a lot of valuable information. We saw their magnificent industries. In one case, I think it was at Belfast, they were employing 20,000 men. At the great works at Newcastle-on-Tyne, I think they said they were employing 20,000 men in one establishment. But that only gives us an idea of what could be done in Canada if we had a government with the nerve and patriotism to work this question out. If you are going to develop a shipyard, you will not allow it to lie idle. As I have said, they do not manu-

facture guns at Harland & Wolff's establishment in Belfast. They do not manufacture them on the Clyde, or at Newcastle. A number of us were through the works of Armstrong, Whitworth & Co. where they do manufacture the guns and build the ships as well. There is one place where you can assemble the ships and the guns at the same point, but on the Clyde and at Belfast they get the guns from some other place. At Fore River they do not manufacture the guns; they are built at Pittsburg and placed on the vessels at Fore River. If we built vessels at Halifax, St. John, or Vancouver, I do not think we would start manufacturing guns at once, because we would not need a sufficient number to justify the expediture. We would bring the guns from England, subject of course to the consent of the Admiralty, and place them on our vessels.

Then they say we cannot make plate. I do not believe it. We have not made it here before because we did not have any sale for it. We have got the iron, the steel, and the nickel, and the industries ready to make it. Give us a sale, and you will get the product. You might as well say that we cannot build an automobile because we do not make the engines and the different parts. I do not believe that there is a complete automobile manufactured in Canada. Personally I think it would be a great pity for those who use them if they were all manufactured in Canada, speaking from my own experience. The manufacturers import certain articles which they would not be justified in manufacturing themselves, on account of the cost, and they assemble them. Some firms manufacture more than others, but the result is that you get the finished product, and you have an industry employing tens of thousands of people, and doing a great work in Canada. Incidentally, I may say that I think they have a little more protection than they need. However, we have got the industry, and we are importing many of the most intricate parts that go to make up that machine. Give us a contract to build those ships in Canada, and we will get the industry. We will spend probably from $20,000,000 to $50,000,000 in our own country, and we will import the intricate parts which it will not pay us to make at home. When the shipyards were not engaged in building war vessels, they would be engaged in building merchant vessels. They would employ tens of thousands of people in the next twenty-five years if the present Government were true to their pledges, would withdraw this legislation, and go on in a plain commonsense way to construct those ships, employing the men in Canada, manning them in Canada, and maintaining them in Canada. So much for that.

Mr. CARVELL.

There were two other reasons advanced by the right hon. Prime Minister why this Bill should be passed and the money sent to the other side of the water. The first was that we were going to have representation on the Imperial Defence Committee. That has been referred to before, but I wish to discuss it from my standpoint for a few moments, as I think it is of the very greatest importance. I do not say that the right hon. the Prime Minister deliberately intended to deceive the people in the first-place, I have too high a regard for that right hon. gentleman to make such an assertion, and in the second place, it would be unparliamentary to do so. But, I have no hesitation in saying that the way the matter was put to the Canadian people did deceive the Canadian people, and especially the Conservative portion thereof. For a month or two before the right hon. gentleman made his speech in this House on December 5, every Canadian newspaper had been pointing out to its readers what a wonderful advance had been made by this Government in securing the right to appoint a representative on the Imperial Defence Committee. Henceforth no war can be entered upon by Great Britain, no change in foreign policy can take place, without consulting Canada! We are going to have a representative in London, one of the Cabinet ministers! Many of their newspapers go so far as to pick out the hon. member for Argenteuil (Mr. Perley), member of the Cabinet without portfolio, as the gentleman who is going to occupy that high and honourable distinction. I want to read what the right hon. gentleman said about that, so that there will be no contention that I am juggling with his statement or that I am giving my version of it. I want to give my right hon. friend's version of it. You will find it on page 714 of 'Hansard' in his speech of December 5:

> While the committee does not control policy in any way, and could not undertake to do so, as it is not responsible to Parliament, it is necessarily obliged constantly to consider foreign policy and foreign relations, for the obvious reason that defence, and especially naval defence, is inseparably connected with such consideration.

Think of that for a moment. He states that it is necessarily obliged constantly to consider foreign policy and foreign relations. Then he goes on to say:

> I am assured by His Majesty's Government that, pending a final solution of the question of voice and influence, they would welcome the presence in London of a Canadian minister during the whole or a portion of each year. Such minister would be regularly summoned to all meetings of the Committee of Imperial Defence, and would be regarded as one of its permanent members. No important step in foreign policy would be undertaken without consultation with such a representative of Canada.

Think of that, Sir; something entirely new in the annals of British Government; no important step in foreign or naval policy to be taken without the consent of this member of the Imperial Defence Committee!

This seems a very marked advance, both from our standpoint and from that of the United Kingdom.

He calls attention to this marked advance, that we are to enjoy something in advance of anything we have enjoyed heretofore, something which the right hon. gentleman and his colleagues had obtained from the British Government which never was obtained before. A marked advance!

It would give to us an opportunity of consultation, and therefore an influence which hitherto we have not possessed. The conclusions and declarations of Great Britain in respect to foreign relations could not fail to be strengthened by the knowledge that such consultation and co-operation with the overseas dominions had become an accomplished fact.

That statement was made by the right hon. gentleman in his speech in this House on the 5th of December. I do not believe that in the history of Canada such a rebuke has been handed out to a colonial statesman as that which was handed to the right hon. gentleman and his colleagues by the Secretary for Colonial Affairs as a result of his making that statement in the House of Commons. I think you would look in vain, you could not go even to preconfederation days, to find an instance where the British Government felt it necessary to call down in as plain and unmistakable language a responsible minister of the Crown for statements which he had made. Let me read from this despatch, bearing date December 10, 1912, and addressed to His Royal Highness the Governor General:

Downing Street, December 10, 1912.

My Lord,—I am forwarding by post for the confidential information of your ministers, a record of the proceedings of the Committee of Imperial Defence of May 30, 1911 (during the Imperial conference), and of August 1, 1912 (during the visit of the Canadian ministers to London).

My right hon. friend the leader of the Opposition (Sir Wilfrid Laurier) was Premier of this country, and was present at the conference as one of the Canadian delegates. This record deals solely with the representation of the Dominion on the Committee of Imperial Defence:

Your ministers, who were present on the first occasion, will remember that the matter arose out of a resolution by Sir Jos. Ward on the Agenda of the Imperial conference, asking that the High Commissioners of the dominions should be summoned to the Committee of Imperial Defence when naval and military matters affecting the overseas dominions were under consideration. The unanimous view of all those present on May 30, 1911, was that the representation of the dominions should be not by the High Commissioner but by ministers who would be responsible to their own colleagues and Parliament and at the same time it was decided that a defence committee should be established in each dominion which would be kept in close touch with the Committee of Imperial Defence at home. The resolution untimately put forward by His Majesty's Government and accepted unanimously by the members of the Imperial conference at the Committee of Imperial Defence were as follows: (1) That one or more representatives, appointed by the respective governments of the dominions, should be invited to attend meetings of the Committee of Imperial Defence when questions of naval and military defence affecting the overseas dominions are under consideration.

Note that they were invited to be present when matters of naval defence affecting the overseas dominions were under consideration:

(2) The proposal that a defence committee should be established in each dominion is accepted in principle. The constitution of these defence committees is a matter for each dominion to decide.

The Canadian Government having changed in the Autumn of 1911, it was necessary when Mr. Borden and his colleagues visited England this summer, to put these proposals before them, as of course they were unaware of the previous proceedings.

I do not know whether that is meant sarcastically or otherwise. My own opinion is that it is meant to be sarcastic, because surely the right hon. Prime Minister must have known what took place in the Imperial conference of 1911:

Subject to consultation with his colleagues in Canada, Mr. Borden provisionally accepted the resolutions as passed and stated that he saw no difficulty in one of his ministers, either with or without portfolio, spending some months of every year in London in order to carry out this intention. Mr. Asquith and I had, subsequently, several private conversations with him, at which he expressed the desire that the Canadian and other dominions ministers who might be in London as members of the Committee of Imperial Defence should receive, in confidence, knowledge of the policy and proceedings of the Imperial Government in foreign and other affairs.

The right hon. gentleman asked the Premier of Great Britain to allow his minister to have a say in foreign affairs. Listen to the answer:

We pointed out to him that the Committee of Imperial Defence is a purely advisory body and is not, and cannot under any circumstances become a body deciding on policy, which is and must remain the sole prerogative of the cabinet, subject to the support of the House of Commons. But, at the same time we assured him that any dominions minister resident here would at all times have free and full access to the Prime Minister, the Foreign Secretary and the Colonial Secretary for information on all questions of Imperial policy.

When you compare the castigation which the right hon. gentleman received at the hands of the Colonial Secretary for the statement deliberately made by the Premier of this country in this House on the 5th of December last, I think you will come to the conclusion that the right hon. gentleman was very hard pressed in order to find some reason to put before the Canadian people as to why they should accept this proposition. But another reason was given why they should accept it. This was held out as a sop to the people of Canada. We must remember that on that delegation to London in 1912 was the representative of the city of Halifax (Mr. Borden) and the representative of the city of St. John (Mr. Hazen), the two cities in Canada which, probably more than any other, are interested in the construction and maintenance of a Canadian navy. These hon. gentlemen, when they were coming back to Canada to ask the people of this country to contribute an enormous amount of money to be sent out of this country—to be given, as my hon. friend says, as a free gift to the British Admiralty —felt that something must be done to satisfy the feelings of their friends in the maritime provinces and in the other maritime portions of Canada. Therefore they concocted this scheme of building small cruisers, oil tanks, and auxiliary vessels in Canada. While it may be a little wearying, I wish to read to the House the statements made by both the right hon. the Premier and by Winston Churchill, the First Lord of the Admiralty, on this question. I shall then be willing to leave it to the Conservative members of this House to decide whether in their judgment there is the least ghost of a chance of ever having one of those British vessels built in Canada. I will be willing to leave it to a jury of Conservatives anywhere as to whether or not it does not almost amount to an insult to the intelligence of the people of the maritime portions of this country. The right hon. gentleman says:

I have discussed this subject with the Admiralty, and they thoroughly realize that it is not to the Empire's advantage that all shipbuilding facilities should be concentrated in the United Kingdom. I am assured, therefore, that the Admiralty are prepared in the early future to give orders for the construction in Canada of small cruisers, oil-tank vessels, and auxiliary craft of various kinds.

This was cheered to the echo by my friends on the opposite side. Then he went on to say:

The plant required is relatively small as compared with that which is necessary for a dreadnought battleship, and such an undertaking would have a much more secure and permanent basis from a business standpoint. For the purpose of stimulating so important and necessary an industry, we have expressed our willingness to bear a portion of the increased cost for a time at least.

I leave it to my Conservative friends if they did not believe, when that statement was made that the right hon. gentleman had made an arrangement whereby these vessels were to be built in Canada, we paying a portion of the increased cost. That is the only logical conclusion to come to from that statement. It brought forth a letter from the other side. The letter was here; but my right hon. friend did not feel disposed to bring it down to Parliament until telegrams were exchanged between him and the Admiralty. Finally it was brought down:

Admiralty, Whitehall,
4th November, 1912.

My Dear Mr. Borden,—

I have given careful consideration to your two letters about the encouragement of the ship-building industry in Canada. I recognize the importance of such a policy on general grounds not less than from the immediate Canadian standpoint; and any practical scheme for Admiralty co-operation would command my support. The main difficulty to be surmounted is to obtain that high degree of expert knowledge and experience which modern warships require for their efficient construction.

Here you have a politician to deal with, a man who knows how to write a letter which said a good deal, yet meant nothing. He goes on to say:

We might, however, in the first instance, agree upon certain classes of vessels with which it may be considered that competent Canadian shipyards would be able to deal. The most suitable classes of vessels with which to inaugurate the system would be light cruisers, oil-tank vessels and small craft for auxiliary services. We should, if it would meet your views, be prepared to invite tenders from approved Canadian firms for the construction of some vessels of such classes in the near future.

How on earth are they going to get tenders from approved Canadian firms, if the Canadian firms do not exist? How in the world are the Canadian firms going to exist unless this Government does something to induce them to invest their two, three or four million dollars in a plant? There again the politican puts it all over the statesman. Let us go on a little further. We have not yet come to the real cream of this proposition:

It would be understood that progress with this policy would have to depend on the prices quoted being reasonable, having regard to all the circumstances (including the fact that Canada will be prepared to share any extra cost) and also on the time required for construction not being excessive as compared with the dates fixed for completion of similar ships in England. No fixed scale or proportion of orders could be guaranteed to Canadian firms.

They might get one this year and one ten years from now.

We would begin by giving some orders at once, and further progress would depend upon the development of the industry and the extent of our programme.

The Admiralty would, of course, remain wholly responsible for the design of all vessels, and for the supervision of the construction of those building in Canada. Arrangements for this could be worked out in detail and should not present any difficulty.

WINSTON S. CHURCHILL.

There the British politician tells the Canadian statesman what he will do for him, and then turns round and says: I am not able to do anything for you because you cannot do it for yourselves. The Canadian Government will not even put up the money to build a shipyard; it will not allow the people of Canada to get ready to build these ships. I do not wonder that my right hon. friend held back that statement until my right hon. leader extracted it from him. He must have known he was putting up simply an empty husk to his followers in Canada, and I am sorry to say that they cheered him to the echo.

Mr. GRAHAM: It is like an empty ship.

Mr. CARVELL: It is worse than an empty ship. If you had an empty ship you could put men in it. Here you have not even got the means to have an empty ship. It seems to me that the real gem of the whole debate comes from the Minister of Marine and Fisheries (Mr. Hazen), the gentleman who represents the city and county of St. John in this Parliament, the gentleman in whose constituency Norton-Griffiths & Company, are now building a dry-dock, the gentleman in whose constituency Cammell, Laird & Company would now be building war vessels, had this Government carried out the policy it should have carried out. When you read the statement of Winston Churchill and the conditions under which he would be willing to give contracts to Canada to build these small vessels, you will see that the statement of the hon. Minister of Marine and Fisheries is a real gem. This was from the written portion of his speech, you will remember. The hon. gentleman spoke about fifteen minutes in reference to the local elections in New Brunswick last summer; then he came to the written portion; it is this:

I come, Mr. Speaker, from one of that group of little provinces by the sea, where bold and hardy seamen are reared, where the salt breath of the sea is ever in our nostrils, where the limitless road of the ocean lies at every man's threshold, tempting him beyond the horizon to lands afar. In days gone by those provinces excelled in ship-building; the products of their skill were found in every sea and in every port. The coming of the iron age killed that industry; the former days of romance are gone. But it is a peculiar pleasure to me to be able to point to that feature of our policy which provides for the revival of our ship-building industry, and provides for it upon a sound, a well considered and a business-like plan. Under its fostering care, Mr. Speaker, we may look forward with confidence to the day when we again may see our own ships plough the distant oceans, when once more to the man of the maritime provinces the sea will be his rightful heritage.

Just think of that effusion of eloquence from the Minister of Marine and Fisheries, when he had in his possession the letter from Winston Churchill, dated the 4th day of November, 1912, telling him the conditions under which they were going to establish this ship-building industry in the maritime provinces. I think comment on that is unnecessary. It brands the Minister of Marine and Fisheries as not having treated his constituents with the frankness to which they were entitled. It certainly brands him with having sent out to his constituents something which would lead them astray whether it was intended to do so or not. It was something which could not but lead them astray, something which created in their minds hopes which could not be realized. The evidence is that we had the Conservative newspapers and politicians proclaiming for weeks: See what our minister had done for us; the British Admiralty will come here to build half their fleet, we are going to share in all this prosperity; the British shipbuilding firms are coming to build these vessels in St. John. And for all I know, the politicians are going around singing the same song to-day, notwithstanding Mr. Winston Churchill's letter, which I have just read.

Now, I have discussed this question at greater length than I had intended. I have very little more to say. I have discussed the proposition put forth by the right hon. Prime Minister as to whether you can build ships in Canada, also the manner in which Canada is to be represented upon the Imperial Navy Defence Committee, and as to the construction of these ships in our own country. I want to compare the two policies, the policy advocated by the right hon. leader of the Government, and the policy advocated by the right hon. leader of the Opposition. I wish I had the ability to argue this case in the style of my hon. friend the Minister of Trade and Commerce (Mr. Foster). But I have not, and I never expect to aspire to such a position. I wish I had the ability of my right hon. friend the leader of the Government to argue in favour of a Canadian-built, manned and owned navy, as he did, but I never shall attain to that. I have given the history of this transaction down to 1910. There is a

little of the history that I omitted, and for fear of being charged with not giving it all, perhaps I had better supplement what I have said and fill the hiatus in the historical record of this transaction. In 1910, a new condition of affairs arose in this country. My hon. friend the present Prime Minister came to this Parliament, and we all gave him a great deal of credit. He was prepared to stand by the attitude he had taken and for which he had argued in 1909. The only thing at variance with this that he would do at first was to vote with the hon. member for Jacques Cartier (Mr. Monk) that before anything should be done for the construction of a Canadian navy the matter should be referred to the people. Thus far would he go but no further. But when we come to February, 1910, we find that a change has come over the spirit of his dream. The hon. member for Jacques Cartier and Mr. Henri Bourassa had been getting in their work. They had taken the right hon. gentleman up into a high mountain and had said to him: Behold all these Quebec seats I will give you if you will bow down and worship me. And the right hon. gentleman did not have the stamina to say: Get thee behind me, Satan; but he fell down and worshipped for the Quebec seats that were promised him. The next thing was a resolution which he moved in this House about February, 1910, I think, in which he deprecated the policy, said that the proposed navy would be useless and would be a separatist navy or something to that effect. At that time came his first suggestion of an emergency which was contained in the concluding clause of his resolution in which it was stated to be the duty of Parliament to provide money for dreadnoughts not to be built under contracts subject to the Parliament of Canada but the money to be handed over to the British Admiralty to be used by them—a sufficient sum to build —and from that time we find a sudden change in his attitude. Next came the Drummond and Arthabaska election. It has been stated in this House, and I believe it to be true, that a hard and fast bargain was made between the Conservative party and the Nationalists that they would play one game in Ontario and another in Quebec. Mr. Monk would gather up what seats he could in Quebec, the rest would gather what they could in Ontario and the English-speaking portions of Canada. They played that game. The first result, as I have said, was in Drummond and Arthabaska in the autumn of 1910. While I cannot prove that my right hon. friend the leader of the Government gave his consolation and advice, I do know that the Minister of Trade and Commerce did, and I know that he was one of the first men to send his telegram of congratulation, as also did the whip of the Conservative party, on the great victory which they had achieved—the great victory of turning down a man who was in favour of Canada doing her duty in the manly self-defence of this country and of the Empire. Things went on until the summer of 1911 when the elections came on. We had the Nationalists preaching one doctrine in Quebec and the Conservatives preaching another doctrine in Ontario. The result was that they came back here with, I believe, twenty-two gentlemen of Quebec of the Nationalist stripe.

Now, what was the particular objection that the Nationalists of Quebec had to the Laurier naval policy? It is in a nutshell. The hon. member for Jacques Cartier (Mr. Monk) tried to justify it publicly on constitutional grounds. But, Sir, hon. gentlemen who have seats in this House to-day, and men who have no seats in this House, leaders of their party everywhere, publicly took objection to the Canadian navy on the ground their sons would be taken from their homes and placed on these vessels and made to lose their lives in defence of the British Empire. There is no getting away from it; that is the reason, that is the objection which the Nationalists of Quebec had to the naval policy of the late Government. And, Sir, I respect and honour the seven gentlemen, who, the other night, proved that they were not bolted and barred to their seats by so many ties but they could stand by what they considered the proper policy in 1911. I do not agree with them; I have not the faintest sympathy with them, I think their position unmanly, I think it un-Canadian and un-British. But it is logical. They voted here last week for what they had advocated in the resolution of 1911. It may be too personal to refer to one hon. gentleman, but the statement made by that hon. gentleman was the most pathetic thing I have seen in this House, that he expected to be somewhere else in a short time, but still declared in the face of his Maker that he was not going to stultify himself in the eyes of his constituents. But what am I to say to my hon. friend the Postmaster General (Mr. Pelletier)? What am I to say to my hon. friend the Minister of Inland Revenue (Mr. Nantel)? What am I to say to these other hon. gentlemen who sit on that side? They advocated in 1911 the same doctrine as these seven gentlemen to whom I have referred. But they are bolted and barred to their seats, some of them by seven thousand reasons, and others by only two thousand five hundred reasons, but they held their seats and went back on the pledges they made to their constituents. And they stand to-day by a policy which is neither fish nor flesh nor good red herring, a compromise between the Tory jingoes of Ontario and the Nationalists of Quebec. Why, Sir, we have the whole matter in the quotations made last evening from L'Evènement and La Patrie. They say: Give the money; let the money go; Ontario and the West pay for it; and you

can tell your mothers and sisters not to have any fear, for their sons and brothers will not be taken away to fight; we will get Englishmen at twenty-five cents a day to do that. That is the true Nationalist policy, and that is the policy which I say is embodied in this legislation. When hon. gentlemen stated that they did not know from which parent this legislation sprung, I can tell them that it sprang from the Postmaster General, and I want to give that hon. gentleman credit for a great deal of acumen and business ability in connection with his action in that regard. He took great care not to send the Premier or the Minister of Marine and Fisheries over to England to negotiate this matter and decide upon this policy; he went himself. He knew what was going on, and I do not think anybody, even my right hon. friend, will deny that he is the man who is responsible for this legislation. I am sure my good Conservative friends, representing such constituencies as South York, N.B., and various ridings in the province of Ontario, will feel highly flattered when they realize that, like good children, they are falling in with the Postmaster General and the Minister of Inland Revenue on this naval question. I hope that in this regard my hon. friends will be able to square themselves with their own constituents as well as with their own consciences.

On the other hand, the policy of the Opposition is exactly the policy which has been adhered to since 1909. We said in 1909 that it was the duty of the Canadian people to take their ordinary and reasonable share in the defence of the Empire; we say so to-day. We said in 1909 that the only manly way to do that was to man our own vessels, maintain our own ships, and give our lives, if need be, to maintain our rights and the rights of the British Empire; we say so to-day. We said in 1910 that we could build vessels in Canada; we say so to-day. We said in 1909 and in 1910 that you would give nothing of value to the Empire if you sent empty ships; we say so to-day. Reference has frequently been made in this debate to that occasion on which the people of this country were called upon —and they responded to the call—to aid the Empire; I refer to the South African war in 1899, and following years. Hon. gentlemen tell us we cannot get recruits, and this has been stated by the Minister of Marine and Fisheries, the Postmaster General, and the hon. member for North Waterloo (Mr. Weichel). In this statement I submit that they stultify the laudable and patriotic ambitions of the young men of this country, and they are, to my mind, uttering a libel as against the great nationhood of Canada each time they repeat the statement. When the dark days of 1899 came, was there any trouble in getting Canadians to enlist? No! The first regiment consisting of 1,000 men was sent off within, I think, three weeks. They went to the front; they engaged in the most bloody battles of the war, and, after the unhappy circumstances connected with Magersfontein and Spion Kop, did the Canadian youths lay down their arms and assert their fear to go on the field of battle and take their share of the conflict by the side of the representatives of other portions of the Empire? No; after Magersfontein and Spion Kop a greater wave of popular patriotism swept over Canada than had ever before existed in this country. A number of batteries of artillery were recruited at the time of the war, and I know that young men came from parts of the country miles and miles distant in order to enlist. I know of men who, not being able to get a chance to enlist on that contingent, smuggled themselves on board the train and went to Halifax, boarded the ships as stowaways, went to the front, and became good soldiers. I think, as I have said, that hon. gentlemen are not justified in making any such statements as that against the people of Canada. Suppose that in 1899 the Canadian Government had said to the British Government: 'We will not allow you to take our men—here is money; take it and buy rifles, ammunition, clothing, and the various necessities of war.' Would this have been a credit to Canada? You might just as well send money to Britain to buy guns and ammunition and provisions in such a case as send empty dreadnoughts, and say: 'Take these hulks, man them with your twenty-five-cent-a-day men, and do the fighting which we do not desire to do ourselves!' I think hon. gentlemen should have a higher conception of the sentiment existing in the minds of the people of Canada at the present day, and I hope that, before this debate is concluded, they will come to the conclusion that if Canada is to do her part when, as my right hon. friend has said, Armageddon comes, it should be done not only with battleships, not only with money, not only with ammunition, but with our ships and our blood and our bones and our brains, and all that goes to make up a true and loyal Canadian.

As to the constitutional aspect of this matter, if no emergency exists; if there is no reason for sending this contribution; if it is against the well-reasoned conclusion arrived at four years ago by my right hon. friend and his lieutenants; if it is against the real sentiments of the people of Canada; if it is only a makeshift; then, Sir, should not the people of the country be consulted before the House

passes upon this momentous question? I submit that the proposal of the hon. member for Assiniboia (Mr. Turriff) is a reasonable and constitutional one, and that it is the duty of this Government to effect a redistribution and give to the people of the West that percentage of representation to which they are clearly entitled. If the people of the country, after the question has been referred to them, decide that they are in favour of an un-British policy of little Canadianism—a contribution of money and not of men—then I shall be willing to bow to the inevitable, and admit that the majority must rule. But I have not such a conception of the people of this country; I contend that they do not hold such sentiments, and this my right hon. friend will find out if he gives them a chance to vote upon this question, and say whether they are willing to stand by the manly, noble Canadian and British policy of the Liberal party, or the mean, huckstering expenditure submitted by the right hon. Prime Minister in the proposition which is the basis of this Bill.

Mr. O. S. CROCKET (York, N.B.): Before hearing the hon. member for Carleton (Mr. Carvell), I thought I had a fairly clear idea of what the attitude of the Opposition was upon this question. The speech which my hon. friend has just concluded, however, has, I must confess, somewhat confounded me in that respect. Day after day during the last several weeks we have sat in this House and heard hon. gentlemen opposite declaim against the proposals of the Government on the ground that they involved a contribution to the British Admiralty, with all its attendant evil consequences. We now learn from my hon. friend that these hon. gentlemen, his political associates, are quite mistaken; that these proposals do not involve a contribution to the British Admiralty, but, on the contrary, provide that the proposed expenditure is to be made under the direction of the Governor in Council. He said last night that he wished that they had provided that the money should be handed over directly to the Admiralty, and that in his opinion it would be much safer. It is therefore rather difficult to discover just where the Opposition is at in view of these conflicting views.

My hon. friend has also introduced a new argument into this discussion and is entitled to credit for that. He called special attention to it describing it as an argument of great importance and one that had not been mentioned in the course of this debate. That was the argument that this Bill was unconstitutional because it provides for an expenditure of money to be made outside of the bounds of the Dominion of Canada. I am not surprised that we have not heard that argument from any other gentleman because it impressed me as one of the most absurd contentions I have ever heard advanced in this House in relation to constitutional law. He based that argument upon the ground that if this money is expended in England for the construction of battleships we will not have the power of summoning the building firms before the Public Accounts Committee in order that we may there have that full and unobstructed investigation of which my hon. friend has at all times been such a distinguished champion.

My hon. friend also dwelt at some length upon the proposal which has been made by the hon. member for Assiniboia (Mr. Turriff) that this question is one that should not be determined by the Parliament of Canada without first referring it to the people. I would ask members to recall the attitude of the hon. member for Carleton with reference to this same proposal which was made in 1910 in connection with a measure providing not for a single appropriation for a temporary purpose but for a permanent naval policy in this country. What was the attitude of my hon. friend on that proposition? How did he vote? I asked him last night how he himself voted on that occasion and he admitted that he voted against the proposal that that proposition, involving the embarking of this country for the first time upon a permanent naval policy of the most far-reaching consequences, should be submitted to the people before being passed by the Parliament of Canada, and yet that hon. gentleman, in view of that fact, had the temerity to attempt to chide hon. members on this side of the House for inconsistency in opposing an amendment to submit to the people the present proposals involving a single appropriation for a temporary and urgent purpose, and not committing Parliament or the Government in any way respecting a permanent policy.

My hon. friend has made another argument that has not been heard of before in this House. That was in dealing with the question of emergency that there was no need for the people of Canada to do anything on behalf of the Imperial navy because he felt convinced that should any danger ever arise the British navy could rely on the protection of the navy of the United States. That is the first time I have heard an argument of that kind made in or out of this House and I do not think the hon. member for Carleton will have reason to pride himself upon having made it when he goes before the loyal electors of the county of Carleton on the occasion of the next appeal to the people of the country.

I do not intend to further follow the hon. member for Carleton in his three-hours' speech, because I regard his speech as nothing more or less than a repetition of

what has been said over and over again during several weeks in this debate, and as absolutely irrelevant to what is really, as I see it, the issue between the parties in this matter. It must be evident to every one who has followed the speeches made by hon. members opposite that they have rested their case entirely upon industrial, local and mercenary considerations, and that, although some of them have contended, that the Opposition plan is best calculated to strengthen the naval forces of the Empire, not one of them has so much as attempted to argue that all important phase of the question. They tell us that their plan will give us a great ship-building industry in this country, that it will develop our seaports, that it will involve the expenditure of millions of dollars among our own people. Apart from these considerations, and the novel ones advanced by the hon. member for Carleton already referred to, the only argument I have heard advanced by hon. members opposite in behalf of the Opposition policy as against the proposals of the Government is that the Opposition plan will safeguard our precious autonomy and will avert the dire consequences of that revolution-breeding evil of taxation without representation. Without desiring to be offensive I think I can justly say that these arguments can be at once dismissed as the hollowest sham and the merest nonsense, seeing that the appropriation for which this Bill provides is a voluntary offering by the people of Canada through their constitutional representatives, in their own Parliament, for the common defence of the Empire, of which it seems necessary at times to remind our hon. friends opposite that Canada still forms a part. So far as the ship-building argument is concerned I would be quite willing—if this were a Bill to encourage the ship-building industry in this country or the development of our ports—I would be quite willing to argue with the hon. member for Carleton or any hon. gentleman opposite, the question whether it would be more advantageous for Canada to start a navy of her own with the object of building her own warships or such of them as we might find ourselves capable of building in this country or whether it would be better with a view to the development of this industry to start in the first instance and at once with orders from the British navy for the construction of such ships as competent ship-building firms in Canada are capable of handling, as has already been arranged between the right hon. the Prime Minister of this country and the First Lord of the Admiralty. It seems to me that, having regard to the proper and successful development of a great, permanent ship-building industry in Canada, nothing could be more desirable than the plan which is outlined in the letter of the First Lord of the Admiralty, to the right hon. the Prime Minister of the 4th November last, which my hon. friend from Carleton has already read. Notwithstanding that my hon. friend read this letter, I propose to again put it on 'Hansard' as part of my remarks, in order that the people may judge whether looking at this question solely from our industrial standpoint there is not more real benefit in the proposal of the Government than in the proposal of hon. members opposite. The letter is as follows:

4th November, 1912.

My Dear Mr. Borden,—

I have given careful consideration to your two letters about the encouragement of the ship-building industry in Canada. I recognize the importance of such a policy on general grounds not less than from the immediate Canadian standpoint; and any practical scheme for Admiralty co-operation would command my support. The main difficulty to be surmounted is to obtain that high degree of expert knowledge and experience which modern warships require for their efficient construction.

We might, however, in the first instance agree upon certain classes of vessels with which it may be considered that competent Canadian shipyards would be able to deal. The most suitable classes of vessels with which to inaugurate the system would be light cruisers, oil-tank vessels and small craft for auxiliary services. We should, if it would meet your views, be prepared to invite tenders from approved Canadian firms for the construction of some vessels of such classes in the near future.

I understood my hon. friend from Carleton to make light of that sentence upon the ground that we had no Canadian firms from whom tenders could be invited, or who could build these ships for the British navy; yet he has spent at least half an hour this afternoon in arguing that we have firms, or would have firms in this country in a very short time which would be capable of building dreadnoughts of the most modern and powerful type.

It would be understood that progress with this policy would have to depend on the prices quoted being reasonable, having regard to all the circumstances (including the fact that Canada will be prepared to share any extra cost) and also on the time required for construction not being excessive as compared with the dates fixed for completion of similar ships in England. No fixed scale or proportion of orders could be guaranteed to Canadian firms. We would begin by giving some orders at once, and further progress would depend upon the development of the industry and the extent of our programme.

The Admiralty would, of course, remain wholly responsible for the design of all vessels, and for the supervision of the construction of those building in Canada. Arrangements for this could be worked out in detail and should not present any difficulty.

WINSTON S. CHURCHILL.

The advantages of such an arrangement are manifest. Immediate orders for such

vessels as our shipyards can handle, gradual development under Admiralty supervision, working up naturally from the smaller to the larger types as experience is acquired under the auspices and tuition of the most experienced naval organization in the world; permanency and growth ensured by the constant and never failing requirements of the largest navy in the world, dependent only on the successful achievement of economical, speedy, and efficient construction. Here surely is an inducement worth while, instead of the limited and uncertain requirements of a local and necessarily insignificant Canadian navy, and all this, Mr. Speaker, without any risk or danger to the efficiency of either the defence of the Empire or of Canada.

But, Mr. Speaker, I ask, are these industrial, local, and mercenary considerations the considerations which should, in any event, determine or influence the action of this Parliament in dealing with the momentous question of the defence of the Empire? What, I ask, is the object of these proposals? Let me quote the second clause of the Bill which is now before the House:

From and out of the Consolidated Revenue Fund of Canada there may be paid and applied a sum not exceeding thirty-five million dollars for the purpose of immediately increasing the effective forces of the Empire.

What do the right hon. the leader of the Opposition and hon. members on the other side of the House say to that clause, that there shall be appropriated $35,000,000 for the purpose of immediately increasing the effective naval forces of the Empire? Why, the right hon. gentleman has already assented to that provision, because he proposed an amendment to the resolution, upon which this Bill was founded, and the first clause of that amendment is in precisely the same terms as the second clause of the Bill which I have now read. That amendment accepted clause 1 of the resolution, and proposed to strike out all the clauses following, clauses 2, 3 and 4, but the amendment left clause 1 standing, as the expression not only of the Prime Minister who introduced this measure, and of those supporting him on this side of the House, but of the right hon. the leader of the Opposition and of hon. gentlemen on the other side of the House with reference to the purpose of our action. Every hon. gentleman on your right, Mr. Speaker; who voted for the resolution submitted by the right hon. the Prime Minister on 5th of December last, voted for an appropriation of $35,000,000 for the purpose of immediately increasing the effective naval forces of the Empire. Every hon. gentleman on your left, including the right hon. the leader of the Opposition, who voted for his amendment, has voted for the appropriation of $35,000,000 for the purpose of immediately increasing the effective naval forces of the Empire. And yet, Mr. Speaker, we heard the hon. member from Carleton argue for over an hour this afternoon that there was no necessity for Canada doing anything at the present time, no need of any immediate action. The very first clause of the amendment which was proposed by the right hon. the leader of the Opposition, and to which I have already referred, proclaims the necessity for action, and immediate action, upon our part, and states the reasons for that necessity as interpreted by the leader of the Opposition himself. Let me quote from the amendment:

The memorandum prepared by the Board of Admiralty on the general naval question of the Empire and communicated to this House by the right hon. the Prime Minister on December 5 shows that several of the most important of the foreign powers have adopted a definite policy of rapidly increasing their naval strength.

Is that a matter of no significance to the British Empire? Let the next clause of the right hon. gentleman's own amendment answer.

That this condition has compelled the United Kingdom to concentrate its naval forces in home waters, involving the withdrawal of ships from the outlying portions of the Empire.

Is that a clause of no concern to the people of Canada? Let the next clause of the amendment prepared and moved by the leader of the Opposition himself answer that question:

That such withdrawal renders it necessary that Canada without further delay should enter actively upon a permanent policy of naval defence.

We have, therefore, in the amendment moved by the leader of the Opposition, not only the approval of the first clause of this Bill providing for an appropriation of $35,000,000 for the purpose of immediately increasing the effective naval forces of the Empire, but we have the specific statement contained in the Opposition amendment that a condition has arisen in Europe which has compelled the United Kingdom, for its own protection, to concentrate its naval forces in home waters and that this condition 'renders it necessary that Canada, without further delay, should enter actively upon a permanent policy of naval defence.' We may call it an emergency, a necessity, as the amendment to which I have referred itself calls it, a need, a crisis, or anything else. What difference? Both parties are agreed that a situation has arisen which calls for immediate action on the part of this Parliament. That being the case, what then is the issue between the parties? The issue is to be found in the resolution brought down by the right hon. Prime Minister and in the amendment moved thereto

by the right hon. the leader of the Opposition. I think that I correctly state it when I say that the Liberal-Conservative party, declaring as it does, for an appropriation of $35,000,000 for the purpose of immediately increasing the effective naval forces of the Empire, proceeds at once to the accomplishment of that purpose by providing for the construction and equipment of battleships of the most modern and powerful type and for the placing of these battleships at the disposal of His Majesty for the common defence of the Empire upon such terms as may be agreed upon between the Governor in Council and His Majesty's Government. That is the policy and the position of the Conservative party. The Liberal party, declaring for an appropriation for the same purpose of immediately increasing the effective naval forces of the Empire, proceeds immediately to put itself on record as opposed to the construction and equipment of battleships of the most modern and powerful type, as suggested by the Admiralty and opposed to the placing of these, or any other vessels, at the disposal of His Majesty for the common defence of the Empire. These are the provisions in the resolution to which our hon. friends on the other side of the House have objected and against which they have voted. I have already read clause (a) of the resolution, which is clause 2 in the Bill.

(b) That the said sum shall be used and applied under the direction of the Governor in Council in the construction and equipment of battleships or armoured cruisers of the most modern and powerful type.

The leader of the Opposition, and every one of the members of this House who has supported his amendment, has voted against that clause. They also voted against this clause:

(c) That the said ships when constructed and equipped shall be placed by the Governor in Council at the disposal of His Majesty for the common defence of the Empire.

Instead of that the Opposition propose, what they failed to do themselves when they were in power—to give effect actively and speedily to the impossible and mischievous Naval Service Act of 1910 and to add to the Rainbow and the Niobe two so-called fleet units to be built, manned, maintained and controlled by Canada without co-operation with or reference to the British Admiralty and to be stationed, one on the Atlantic coast and the other on the Pacific coast of Canada, for the exclusive, and, I say, absolutely unnecessary, purpose of defending our own shores. That is, the issue between the parties as appearing in this Bill and the amendment which the leader of the Opposition moved to the resolution on which the Bill is founded.

At six o'clock, House took recess.

After Recess.

House resumed at eight o'clock.

Mr. CROCKET: Mr. Speaker, before six o'clock, I had pointed out that the entire Opposition party in this House, by its vote in favour of the amendment of the right hon. leader of the Opposition on Thursday last, had recorded itself as in favour of the appropriation of $35,000,000 for the purpose of immediately increasing the effective naval forces of the Empire. It may be that some hon. gentlemen on the other side of the House did not fully appreciate the significance of the votes which they were then recording; and apparently my hon. friend from the county of Carleton, N.B. (Mr. Carvell), was one who did not do so, otherwise he surely would not have made the statement which he did in the course of his speech this afternoon, that were there any necessity for immediately increasing the effective naval forces of the Empire, there was nothing else that could be done than the action proposed by the Bill tabled by the right hon. the Prime Minister. In making that admission, it seems to me that he gave his entire case away. To my mind there is absolutely no question upon this point that, if there is any necessity for immediately increasing the effective naval forces of the Empire, there is, as the hon. member for Carleton, N.B., admitted this afternoon, only one thing to do, and that is to provide immediately for the construction and equipment of battleships of the most modern and powerful type, as suggested by the Admiralty, and to place them at the disposal of His Majesty for the common defence of the Empire.

I had also pointed out that, notwithstanding the fact that the entire Opposition party in this House had committed itself to the first clause of the resolution of the right hon. the Prime Minister, which is in the same terms as the second clause of the Bill now before the House, the right hon. the leader of the Opposition and every one of his followers in this House, when they voted for that amendment, at the same time voted to strike out of the resolution of the right hon. the Prime Minister the provision for the construction and equipment of battleships of the most modern and powerful type, and voted against the proposal that those battleships should be placed at the disposal of His Majesty for the common defence of the Empire. At six o'clock, I was endeavouring to show exactly what the issue was between the two parties in this House upon this question, that they were a unit with respect to the object of the appropriation, and that the only question was as to what should be done to accomplish

the purpose set forth in the clause of the Bill which I have quoted. I think I showed that the Liberal-Conservative party stands for the expenditure of the proposed appropriation for the common defence of the Empire, and that the Opposition party in this House stand for the defence of the territory of Canada and the territory of Canada only, in that respect taking the same position precisely that the hon. member for Yamaska (Mr. Mondou) took in this House the other night.

It is true that the right hon. the leader of the Opposition, who in the session of 1910 in this House openly and boldly declared that he was no imperialist, and who in connection with the Naval Service Act of that year took special care that no clause or no word should be given place within the four corners of that Act which could by any possibility be interpreted as recognizing any association or connection between this country and the Empire, has taken equal care, in the preparation of the amendment which he moved recently, to introduce a few high-sounding phrases which might be passed off upon the casual or superficial observer as the langauge of a fervent imperialist. But examine Mr. Speaker, the amendment, and you will find that its operative and effective provisions are precisely as I have described, and that under this Imperialistic disguise, the right hon. leader of the Opposition has securely laid and fixed in this amendment his pet idea of a distinctive exclusive, and separative Canadian navy. I have already pointed out that the amendment proposes to strike out those clauses of the Prime Minister's resolution providing for the common defence of the Empire and the placing of these ships at the disposal of his Majesty for that purpose. Bearing that in mind, I will ask the attention of the House to the so-called imperialistic clause in the amendment proposed by the right hon. the leader of the Opposition:

That any measure of Canadian aid to Imperial naval defence which does not embody a permanent policy of participation by ships owned, manned and maintained by Canada and contemplating construction as soon as possible in Canada is not an adequate or satisfactory expression of the aspirations of the Canadian people in regard to naval defence, and is not an assumption by Canada of her fair share in the maintenance of the naval strength of the Empire.

It will be observed that that clause is purely negative in its terms and is effective only as a criticism or condemnation of the proposal of the Government. The effective and operative clauses of this amendment so far as the Opposition policy is concerned, are the last two. Let me read the first of these clauses:

It is the opinion of this House that measures should be taken at the present session to give effect actively and speedily to the permanent naval policy embodied in the Naval Service Act of 1910, passed pursuant to the resolution unanimously approved by this House in March, 1909.

That clause contains one statement of fact, which is untrue. It states that the Naval Service Act of 1910 was passed in pursuance of the resolution passed unanimously by this House in the month of January, 1909. The resolution of 1909, which has been quoted again and again in the course of this debate, required and did so very plainly and distinctly in connection with any naval service that might be organized in Canada, that it should be in association with and in close relation to the British Admiralty, and on lines suggested by the Imperial Conference. The so-called Naval Service Act of 1910 repudiated all connection and association with the British Admiralty, and sought to establish an absolutely independent, distinctive Canadian navy. In that respect the Act of 1910 was a distinct violation of the terms of the resolution of March, 1909. Needless to say, it was not on lines suggested by the Imperial conference, as the resolution of March, 1909, required that it should be. I had occasion, when that Bill was before the House, to address the House on that question. In common with the great majority of the members of the Conservative party, I then claimed and I claim now that the Naval Service Act of 1910 establishes a separative, distinctive, independent Canadian navy, owing no allegiance to the British Empire and recognizing no association or connection with the British Admiralty. That is the permanent naval policy to which the Opposition would like to give active and speedy effect, a distinctive and absolutely independent Canadian navy as a means of immediately increasing the effective naval forces of the Empire. The last clause of the amendment of the leader of the Opposition is the clause which provides for the so-called two fleet units. These are the words of this clause:

This House is further of the opinion that to increase the power and mobility of the Imperial navy by the addition by Canada under the above Act of two fleet units, to be stationed on the Atlantic and Pacific coasts of Canada respectively, rather than by a contribution of money or ships, is the policy best calculated to afford relief to the United Kingdom in respect to the burthen of Imperial naval defence and, in the words of the Admiralty memorandum, to 'restore greater freedom to the movements of the British squadrons in every sea and directly promote the security of the Dominion'; and that the Government of Canada should take such steps as shall lead to the accomplishment of this purpose as speedily as possible.

The House will observe that the leader of the Opposition, in the language which he has employed in this clause, takes no chances on the so-called fleet units being

separated from the British navy. He is careful to state that the fleet units are to be added, and added 'under the above Act,' which, as I have pointed out, provides for an independent and separate Canadian navy. And, as if that were not enough to make sure of his purpose in that connection and enough to disown association and connection with the British Admiralty, he adds the further limitation that these units, when completed, are to be placed on the Atlantic and on the Pacific coasts of Canada for the defence of our own shores. Having made this clear by these effective and restrictive words, the right hon. gentleman, no doubt, felt that their import could not be altered by the introduction of a profession or pretense that this narrow un-British scheme would tend to increase the power and mobility of the Imperial navy. Now, I ask the House to test the truth and genuineness of this profession. How can the building of two fleet units of an independent Canadian navy and the placing of them upon the Atlantic and Pacific coasts of Canada, increase the power and the mobility of the Imperial navy, except by releasing vessels of the Imperial navy to traverse, and patrol, and if necessary to fight in other seas? We are all aware that there are no ships of the Imperial navy upon the Atlantic or Pacific coasts of Canada, and have not been for some years. Our protection has been none the less effective, through the operation of what Mr. Silburn, in his recent work upon the Evolution of Sea Power terms 'Britain's silent sovereignty of the seas.' We have no ships of the Imperial navy in Canadian waters. If we release no ships of the Imperial navy in the waters of Canada in which the so-called fleet units are to be confined, I ask, how can we thereby increase either the power or the mobility of the Imperial navy in other seas? Now, the last clause which I have read not only states this impossibility as the Opposition's aim in establishing an independent Canadian navy, but it falsely alleges that, 'in the words of the Admiralty 'this plan is best calculated to 'restore greater freedom to the movements of the British squadrons in every sea and directly promote the security of the dominions.' These are the words of the amendment of the right hon. leader of the Opposition. Now, turning to the Admiralty memorandum, page 9, what do we find as the statement of the Admiralty which the right hon. leader of the Opposition professes to quote in the paragraph I have just read:

> Larger margins of superiority at home would, among other things, restore greater freedom to the movements of the British squadrons in every sea, and directly promote the security of the dominions.

The clause of the amendment which I have just read states precisely the contrary —that the stationing of two fleet units on the Atlantic and on the Pacific coasts of Canada will in the words of the Admiralty, 'restore greater freedom to the movements of the British squadrons in every sea and directly promote the security of the dominions.' The leader of the Opposition has employed the somewhat novel expedient of simply reversing the subject of which the words quoted are predicated by the Admiralty and introducing the garbled quotation as the justification of a policy directly the opposite of the policy recommended by the Admiralty in the words cited.

Now, although these words, which have been misquoted in the Opposition amendment, were doubtless introduced for the purpose of giving a false imperialistic colouring to the Opposition's scheme, in reality they but accentuate the separation between Canada and the Empire. British squadrons in every sea, but on the Atlantic and Pacific coast of Canada; here and here alone, must the line be drawn; send your British squadrons to other seas, wherever you like, we want none of them in Canada; Canada will look after her own defence independently of you.' That is the message which the Opposition, the Liberal party of this country, would send to the Mother Country. Hon. members opposite have talked of an appeal to the country on this question. If this issue should be carried to the country, I am satisfied that the right hon. leader of the Opposition and his party would find that the public indignation and resentment which was aroused less than two years ago by their proneness to lend a hand to President Taft in his attempt to break that great Imperial commercial bond reaching out from England around the world and back again to England would not be a circumstance to the feeling with which they would find themselves confronted upon this question. Defeat was the penalty which our hon. friends paid for their last break; absolute annihilation will be their certain doom if they persist in their present course.

Not only does the Admiralty lay stress in these words which I have already quoted, upon the paramount importance of maintaining the general supremacy of the Imperial navy, but they specifically point this out with even greater emphasis in another clause of the memorandum. Paragraph 7 of the memorandum reads thus:

> Naval supremacy is of two kinds: general and local. General naval supremacy consists in the power to defeat in battle and drive from the seas the strongest hostile navy or combination of hostile navies wherever they may be found. Local superiority consists in the power to send in good time to, or

maintain permanently in some distant theatre forces adequate to defeat the enemy or hold him in check until the main decision has been obtained in the decisive theatre. It is the general naval supremacy of Great Britain which is the primary safeguard of the security and interests of the great dominions of the Crown, and which for all these years has been the deterrent upon any possible designs prejudicial to or inconsiderate of their policy and safety.

In the face of this very clear and indisputable statement of the Admiralty that it is the general naval supremacy of Great Britain which is the primary safeguard of the security and interests of the dominions of the Crown, the members of the Opposition persist in their determination that the resources of this country shall be frittered away in the establishment and independent maintenance of a divided, ineffective and wholly useless local navy, incapable of achieving even local superiority.

Local superiority, says the Admiralty, consists in the power to send in good time to, or maintain permanently in some distant theatre forces adequate to defeat the enemy or hold him in check until the main decision has been obtained in the decisive theatre. Will anybody contend that these two fleet units, incapable of cooperating with each other, could under any circumstances constitute a force adequate to defeat or to hold in check such an enemy as would venture to attack Canada so long as Canada remains under the ægis of the British flag? Surely no power will venture to attack Canada as a dominion of the British Empire until it is prepared to challenge Britain's mastery of the seas. When that time comes, what under Heaven, Mr. Speaker, would be the good of the two separated units of a Canadian navy, one on the shores of the Atlantic, and the other on the shores of the Pacific? Their one function, it seems to me, as was pointed out by a Montreal French daily in connection with the Naval Service Act of 1910, would be to elude pursuit. Until that time comes, what possible use can these separated units of a Canadian navy serve? Simply a waste of public money.

Is it necessary, I ask, to argue the question from the standpoint of naval strategy and efficiency as regards either the defence of the Empire or the defence of Canada itself, further than to state these self-evident truths embodied in the Admiralty memorandum? Upon whose advice does the Opposition challenge the wisdom of the British Admiralty? Who is their naval expert? Is it the hon. member for South Renfrew (Mr. Graham)? Is it the hon. member for St. John (Mr. Pugsley)? I came to the conclusion after listening to the hon. member for Carleton, this afternoon that it was most likely the hon. member for Carleton himself.

Mr. CROCKET.

Mr. PUGSLEY: Will my hon. friend be good enough to point out in the memorandum of the Admiralty any statement which they make advising against a Canadian navy?

Mr. CROCKET: I thought I had made it very clear that the Admiralty had pointed out that it was the general naval supremacy of the Empire which was the primary safeguard of the security of the Dominion of Canada, as of all other dominions of the Crown, and that the object to be aimed at was not the attainment of what is called local superiority, but the strengthening of the general naval supremacy of the Empire. Possibly the president of the Fore River Shipbuilding Company, of Quincy, Mass., to whose yards the member for St. John recently paid a visit, is the authority who is advising the Opposition to reject the advice of the British Admiralty. The thing seems to me to be so ridiculous as a means of rendering immediate and effective aid to the naval forces of the Empire in the present circumstances that it will not stand serious discussion. Is it any wonder that the British press describes the Opposition plan as playing with the idea of a navy and a sham, intended purely for decorative political effect?

Let us, Mr. Speaker, in dealing with this great and admittedly urgent problem of Imperial concern, rise above these narrow, sectional, political and mercenary considerations. Let our action, whatever it be, be based on the sane, sound and broad grounds of naval strategy and efficiency and Imperial unity. Let us recognize that, upon this question at least, Canada and the Empire are one and inseparable. In this view can there be a shadow of a doubt but that our first duty is to do our part in maintaining the general supremacy of the Imperial navy, which, as pointed out by the Admiralty, is the primary safeguard, not only of the security and interests of the United Kingdom, but of our own? Can there be a question but that one great fleet, under one control, concentrated at the real point of danger, is the most effective instrument for the preservation of that supremacy when it is threatened? Is it not the merest folly, if there is need of Canada's taking a hand in increasing the effective naval forces of the Empire, as both parties admit there is, to ignore these salient principles and to proceed upon diametrically opposite lines, from selfish motives of pecuniary gain?

The right hon. the leader of the Opposition ten years ago used some striking and rather overdrawn language in moving the second reading of the National Trans-

continental Railway Bill, as to the duty of Parliament in that behalf. He said:

Such is our duty. It is immediate. It is imperative. It is not of to-morrow, but of this day, of this hour and of this minute. Heaven grant that it be not already too late. Heaven grant that whilst we tarry and dispute, the trade of Canada is not diverted to other channels and that an ever vigilant competitor does not take to himself the trade that properly belongs to those who acknowledge Canada as their native or their adopted land.

Rather far-fetched and high-flown for a matter of the building of a railway, but I would have thought that one capable of being moved to such flights of eloquence by a railway construction Bill might at least have refrained from opposing at this time immediate and effective action with respect to the defence of the Empire and from advising in its stead a policy, not only of delay, but of ultimate and utter futility.

The right hon. gentleman will pardon me for saying that the necessity for action on the part of this Parliament is, in my judgment infinitely more urgent with respect to the defence of the Empire than the alleged necessity which was the occasion of his fervent appeal of 1903 and that he might with far more propriety have said to us of our duty now: 'It is immediate. It is imperative. It is not of to-morrow, but of this day, of this hour (omitting perhaps this minute). Heaven grant that it be not already too late. Heaven grant that whilst we tarry and dispute the crisis may not occur and that an ever-vigilant rival does not take to herself, not the trade that properly belongs to those who acknowledge Canada as their native or adopted land, but the supremacy and sovereignty of the seas from those who acknowledge the Union Jack as the flag of their Empire.'

Mr. GEO. W. KYTE (Richmond, N.S.): I was astonished yesterday afternoon when the right hon. the Prime Minister moved the second reading of the Naval Bill without a word of explanation. It is the privilege of Parliament to be put in possession of all the facts and arguments relied upon for the acceptance of the principle involved in any important Government measure when the second reading is proposed. Of course I anticipate the answer that will be made to this observation by the right hon. gentleman if he should honour me by making a reply. When two months ago he proposed to the House the resolution upon which the Bill is based, he made an exhaustive statement in support of the principle and that may be accepted as the explanation usually given on the second reading. I submit that many things have happened since the 5th of December last. The situation has changed, owing to the added knowledge we have as respects the condition of naval affairs in England and Germany and other matters bearing on this question. I rather suspect that the right hon. gentleman is somewhat in the position of a lawyer who goes into the criminal court to defend a prisoner. If the facts are against him and the character of the evidence on behalf of his client doubtful he does not open his case or call witnesses for the defence, but prefers to take his chances for a verdict on his privilege under those circumstances of having the last word to the jury.

I listened with interest to the speech of the hon. member for York, N.B., (Mr. Crocket). He did not close his remarks without casting a taunt in respect to the attitude of the Opposition upon this question, he did not omit to state that the proposal of the right hon. the leader of the Opposition involved a separatist policy, a separate and independent navy. After listening to the speech of the hon. member for East Hastings (Mr. Northrup) yesterday, a speech delivered in a most conciliatory manner, we thought that taunts of that kind would not be thrown out to hon. members on this side of the House. The hon. member for East Hastings counselled this House to discuss this question upon its merits without importing into it anything of a partisan flavour. I think, therefore, that the time is opportune for me to briefly review a few questions in regard to matters that I have culled in reading the history of this country. In 1838 there was a great and important question agitating the people of Nova Scotia in respect to the rights of the people of that province to responsible government. At that time the government of the province was controlled by the council of twelve, a council appointed by the Imperial Government without reference to the will of the people. That council also constituted the Legislative Council or the upper chamber of the legislative machinery of the province; they sat with closed doors, they did not permit the people to take part in or listen to their deliberations and on that account a very deep rooted agitation arose for the improvement of that condition of affairs. As you, Sir, are familiar with the incident and will remember, on that occasion the leader of the people was the Hon. Joseph Howe who had arrayed against him in those days the whole Tory party of the province of Nova Scotia, and for a time the Tory party of Great Britain. When Joseph Howe thundered against the closed doors of the legislative and executive council he was answered by taunts that he was a separatist, that he was opposed to the interests of Great Britain, that he was endeavouring to set up views contrary to the views of the British Government. I am bound to say that Joseph Howe did receive support from a small section of the Conser-

vative party, but the support he received from them was purchased dearly by those Conservatives. Hon. James Boyle Uniacke, then the leader of the Conservative party and himself an occupant of a seat in the executive council, felt that the principles advocated by Howe were so convincing that he resigned his seat as a member of the executive, came over to Howe and assisted him in carrying on the agitation. Mr. Uniacke suffered the taunts and jeers of his late friends of the Tory party. Not only did they endeavour to deprive him of his seat in the Legislature but a system of social ostracism was inaugurated in the city of Halifax so that the persecution which Toryism meted out to him penetrated the inmost conditions surrounding his domestic life. Howe, I need scarcely say, after he had accomplished for the people of Nova Scotia that which he sought to accomplish in respect of bringing to them the boon of responsible government, showed many evidences of his loyalty to Great Britain and to the Empire. At the time when the agitation was greatest there were rumours that the United States Congress had voted the sum of $800,000 for the purpose of sending troops into the province of New Brunswick to take by force a large portion of the territory of that province which was claimed by the state of Maine. In the legislature of Nova Scotia Mr. Howe arose in his place and proposed a vote of $100,000 to be supplied by the Government of Nova Scotia for the purpose of assisting their compatriots in New Brunswick to repel that invasion. Not only that, but he asked that the militia forces of the province of Nova Scotia be sent to the assistance of their friends in the neighbouring province. When trouble arose in Upper Canada, trouble which was brought about by the same determined stand taken by Toryism against responsible government, the militia of Nova Scotia was again ordered out for the purpose of preserving law and order. A public meeting was held for the purpose of voting money to provide for the wives and children of those soldiers during their absence in Upper Canada. The occasion was taken then by Toryism in Nova Scotia to taunt the Hon. Joseph Howe with disloyalty, but he so successfully answered the charges made by his opponents, that they were scarcely ever repeated on public occasions thereafter. It is well known that at the time of the agitation on the part of a certain number of citizens of Montreal to bring about annexation with the United States, the agitators wrote Howe with the object of getting his assistance and co-operation. I have before me a letter written by Mr. Howe in answer to that request. He said:

> We gather from the 'scholastic production' to which your name is attached, that a convention, called by yourself, is to supersede the Parliament of Canada. This movement for dispensing with the services of the Legislature, it seems to us Nova Scotians, very naturally generated the idea that the building in which it sat was an incumbrance, and that its books and papers, fraught with occult sciences and varied superstition, were dangerous to the progress of society. Lord Elgin, who stood in the way of Mr. Protector Moffatt, was pelted as a matter of course; and as the old Parliament House was too small to hold the convention, it was very reasonable that the mob should exclaim: 'Burn it down, burn it down; why cumbereth it the ground?' The promulgation of your manifesto, and the occurence of subsequent events, take us somewhat by surprise in this benighted province; but nothing appears more natural than the sequence.
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> As you have appealed to North Americans in your address, and as the mob of Montreal have favoured us with their interpretations of its contents, I am induced to inquire whether it be the true one, and whether pelting the Queen's representative, dispersing our parliaments and burning our books, are to be indispensible preliminaries in joining the British American League.

Thus, Mr. Speaker, he rebuked the men of the old Tory party in the city of Montreal who endeavoured to raise up a power in the Dominion of Canada against British authority and British institutions. I had hoped that the time had come when such taunts as have been thrown across the floor of this House by hon. gentlemen opposite would come to an end. In the course of this debate, probably in default of better arguments or more convincing reasons in support of the proposals before the House, we have had repeated examples of the exhibition to which we listened to-night. I desire to say, in reply to the hon. member for York, who criticised the Naval Service Act which was passed by the Government of the present leader of the Opposition, that it contains only such provisions as are contained in the Militia Act, which has been on the statute book since 1868. I have before me the clauses of the Naval Service Act and Militia Act, and the two important ones I will now read. Section 22 of the Naval Service Act reads as follows:

> The Governor in Council may place the naval forces, or any part thereof, on active service at any time when it appears advisable so to do by reason of an emergency.

In the Militia Act the clause reads as follows:

> The Governor in Council may place the militia, or any part thereof, in active service anywhere in Canada, and also beyond Canada, for the defence thereof—

The hon. member for York was not as careful as he might be to refrain from giving a wrong impression to this House when he made the criticisms I have

referred to in respect to the Naval Service Act. If the clause which I read from the Naval Service Act indicates that the naval service contemplated by the late Liberal Government was a separatist navy, then the Militia of which the hon. and gallant member, the Minister of Militia is at the head at the present moment, is a separatist militia, and it is time that the ultra-loyalists on the other side of the House amended the Militia Act to remove the stigma which the hon. member for York endeavoured to place upon it this evening.

The agitation for responsible government in the province of Nova Scotia was, as I said a moment ago, opposed not only by Toryism in the province of Nova Scotia, but by Toryism in Great Britain. I have before me a portion of a despatch sent by the Duke of Wellington, then Premier of England. In it he said:

> Local responsible Government and the sovereignty of Great Britain are absolutely incompatible.

How familiar this paragraph reads in view of the statements, made by hon. gentlemen opposite, that a Canadian Naval Service is incompatable with loyalty to Great Britain. Further on, in reply to the British colonists' memorial sent from Nova Scotia in 1837, the despatch reads as follows:

> The responsibility of the executive in a colony to the assembly as the executive in England is to the Commons is inadmissible.

We have there the principle upon which Toryism endeavoured to govern the colonies of the Empire fifty years ago, and I regret to say that the principle dies hard, inasmuch as we have living examples of it here in this year of Grace, 1913.

There has been an agitation going on in Great Britain for the last one hundred years in favour of Home Rule for Ireland. I think I am justified in making reference to that inasmuch as during all that period the whole forces of Toryism in Great Britain has been arrayed against that very reasonable movement on the part of the inhabitants of that important section of the British Isles. They fought that persistently; they fought it from one election to another; it has been fought and resisted on every platform in England upon which a Tory or a Unionist found a footing. It has been fought not only by Toryism garbed in its proper clothing, but in certain quarters by Toryism masquerading in the garb of Liberalism. I am glad to think that that agitation has come to a happy conclusion. For one hundred years the people of Ireland fought for self-government, but at present——

Mr. SPEAKER: May I point out to the hon. member that I scarcely see the connection between that subject and the one before the House.

Mr. KYTE: I am speaking of autonomy and local self-government, in reply to the argument of my hon. friend from York that the Liberal party in Canada are separatists. It has also been stated that those who have agitated for Home Rule for Ireland were separatists, that they would set up an independent colony, and use their Parliament for the purpose of promoting legislation inimical to the best interests of Great Britain and of the Empire. That agitation received its final check, I believe, in the election which took place a few weeks ago in the old city of Derry in the province of Ulster. I think we have reason to assume that the agitation has come to an end, and that Home Rule will be brought about by the people of Great Britain, by those who have learned from history that agitation for responsible government does not mean agitation in support of the enemies of the Empire.

I do not propose to-night to go over the whole ground which has been covered in previous debates by hon. gentlemen on both sides of the House. The statement made by the right hon. the Premier in bringing down his resolution that Canada cannot, for the next twenty-five years or fifty years, hope to engage in ship-building, is a statement which should not go unchallenged and, even at the risk of repeating what has been said over and over again, I think it is the duty of every loyal representative of the people in Canada to protest against it as being entirely unawarranted by the facts. I have before me an article taken from the Canadian Mining Journal, a non-partisan and impartial publication and which, by the way, is edited by Mr. J. C. Murray, a former resident of the city of Halifax. This paper states that 'it is convinced that the Premier erred,' and it proceeds to give its reasons for its conviction. It points out that within the past two decades Canada has built up 'a strong, modern, and well-organized iron and steel industry.' The article goes on:

> In Nova Scotia the Dominion Steel Corporation has an enormous plant. The Nova Scotia Steel and Coal Company possesses at Trenton, near New Glasgow, a steel forging plant that represent the last word in modern practice. Raw material there is in plenty. Labour is obtainable as needed. The splendid harbours of Sydney and Halifax are commodious enough for any purpose.
>
> On the Pacific coast, whilst the necessary industries have not been established, there are abundant sources of fuel, flux and ore. In short, Canada possesses every natural facility for establishing ship-building industries on any desired scale. As for the length of time in which such industries could be established, it is our opinion that, with suitable direction, not more

than five, or at most, ten years would be consumed in preliminary work. There is no hidden mystery in ship-building. English and Scotch engineers could be engaged to direct the work. The fact that for some years the cost of construction would be higher here than in Great Britain is of no importance whatsoever. The gain to Canada would be immeasurably greater than any added expenditure in building. Employment would be given to thousands of men, new communities would spring up, the maritime provinces would be incalculably benefited, and the whole industrial life of the nation would be strengthened.

I think that the men who take that patriotic stand on the question of ship-building in Canada are entitled to a good deal more credit, and they appear in a very much better light as patriots and true Canadians, than hon. gentlemen opposite who re-echo the statement made by the right hon. Prime Minister to the effect that Canadians are not capable of doing that which has been done successfully by some of the smallest nations under the sun.

The hon. member for East Hastings (Mr. Northrup), referred with great feeling to the Canadians whose valour on the field of battle under the British flag contributed to the glory and triumph of British arms. Coming as I do from the province of Nova Scotia, the mere mention of those names thrilled me with pride because, for the most part, they were names of Nova Scotians whose memories are still kept green by memorials erected in their honour by their admiring fellow-citizens, and whose deeds of heroism are each year made the subject of inspiring addresses calculated to rouse the emulation of the youth of the province. I have no warrant to speak for the province of Ontario but I desire to assure the hon. member for East Hasting that the spirit of courage and patriotism of which he spoke still lives in Nova Scotia. Yet, if the policy of contributing empty and unmanned dreadnoughts to Great Britain is to be the policy of the Government of Canada, I fear that that spirit lives in vain.

Nova Scotia, early in its history, took a foremost part as one of the leading ship-building sections of Canada. Fifty years ago, before steel and iron ships came into use, Nova Scotia had its fleet of sea-going merchantmen. There was scarcely a town, scarcely a village in the whole province that did not have its shipyard and there was no community where the men did not, by their industry and enterprise, show that they were thoroughly capable of giving practical application to the most progressive and advanced ideas with regard to industrial progress. We had thousands of tons of shipping, all of which were constructed in our own yards in Nova Scotia. Nova Scotians were able, not only to go to the forests, hew the timber, haul it to the shipyards and construct the ships, but, when these ships were constructed, they were able to man them and to sail them to foreign parts the world over. There was a time when the flag of the Nova Scotian merchantman was as well known in the ports of Calcutta, Yokohama and Hong Kong as in the ports of Boston and New York. But, that industry has declined. It declined owing to the fact that steel ships have taken the place of wooden ships and as there is no place in Nova Scotia and no place in Canada at present capable of building these steel ships, the ship-building industry has gone down and the ships of other nations are doing the carrying that the ships of Nova Scotia did thirty or forty years ago. The people of Nova Scotia, in common with all the people in the maritime provinces, when they found that it was part of the policy of the late Government to establish a Canadian navy believe that it would mean the revival of that great industry in the maritime provinces. I know that they support the naval policy of my right hon. friend the leader of the Opposition and that they enthusiastically support it owing to their desire to see a revival of the ship-building business and the carrying trade upon the high seas. I regret and the people of Nova Scotia regret, that the substitute policy of the right hon. leader of the Government is not calculated to carry out the desires and aspirations of the people there with respect to a revival of ship-building in the maritime provinces.

It has been contended by hon. gentlemen opposite that if we had a Canadian navy, men could not be found who would be willing to give their services to man the ships. It has been stated that during the last three years recruiting was carried on so unsuccessfully that the necessary complement of men and officers required for the Niobe and Rainbow was not obtained. That criticism has been replied to several times by hon. gentlemen speaking upon this side of the House, but I desire to place once more upon record the fact that in 1911 hon. gentlemen who now occupy the Government benches were opposed to the principle of a Canadian navy. They gave it to be understood that if their party came into power they would do away with the iniquitous Naval Service Act and abolish all idea of having a Canadian Navy. They came into power and, while they have not carried out too many of their promises, they carried out that promise to the letter. They have so bedevilled the service that recruiting was impossible with the result that officers and men could not be found in sufficient numbers to supply the positions aboard these ships.

Mr. SMITH (South Ontario): Have they been found yet?

Mr. KYTE: They would be found if anybody would go and look for them, but they have not been sought for and therefore they have not been found. The aspirations and ambition of Canadians to take part in the naval service has found expression through enlistment in the naval services of other countries when they had no opportunity of taking part in the naval service of Canada. I have before me a statement of the number of Canadians who are employed in the Navy Department of the United States, which shows that during the past five years the following number of persons, born in Canada and residing in Canada at the time of enlistment, joined the navy of the United States:

1908, 228 born and 26 residing in Canada; 1909, 256 born and 75 residing; 1910, 196 born and 39 residing; 1911, 190 born and 50 residing; 1912, 165 born and 44 residing.

One thousand Canadian-born youths, and 234 persons actually residing in Canada, have enlisted in the United States navy during the last five years. If the disposition of Canadians towards naval service is so strong that they are leaving their own country and going to another country to take service in its navy, what could we expect if we had a navy of our own? Instead of 234 Canadian-born youths enlisting in five years, not only the one thousand, that represent the native-born Canadians who joined the American navy, would enlist in ours, but double and treble that number would do so within that period. I think there is no warrant for the assumption made by hon. gentlemen that men cannot be found to take part in the naval service of this country. If Canada were to establish a navy of its own, I am sure it would be a navy which would have conditions and attractions for our young Canadians quite as good as the attractions which the American navy has for them. I conclude from the figures which I have just read that the statement made that no Canadians could be found to man a Canadian navy is utterly without foundation and without justification. While the hon. member for York (Mr. Crocket) and other hon. gentlemen who have spoken in this debate have made it perfectly clear that they are opposed to a Canadian navy at the present time; they have also made it absolutely clear that they are equally opposed to a Canadian navy for all time to come. It was suggested by the right hon. the First Minister, when he proposed his resolution to the House, that this was not a permanent policy, that the policy involved in this Bill was only a temporary makeshift, and that hereafter a permanent policy would be established. The right hon. gentleman, while not saying it in so many words, gave the House to understand that later on he would formulate a policy in which the principle of a Canadian navy would be involved and which would be carried out in accordance with the policy of the late Government to establish a Canadian navy. After having heard one hon. gentleman opposite after another declaim against a Canadian navy, that is a separatist navy, there is not much ground for assuming that the intimation made by the right hon. the First Minister, but not put in so many words, will be carried out in the near future. There seems to be a difference of opinion in regard to this question in the minds of Conservatives themselves. Hon. gentlemen occupying seats on the Government benches have made it perfectly clear that there is to be no Canadian navy, because, if they are consistent, if a Canadian navy means a separatist navy, in order to be consistent—because, of course, they are all loyal—there must be no Canadian navy in the future. I have a statement here made by Mayor Hocken of the city of Toronto a few weeks ago in which he deals with the question of a Canadian navy. In ultra loyal Toronto, people are independent enough to think for themselves and to come to a conclusion of their own as to what is the best policy for Canada to pursue in respect of the naval defence of the Empire:

Mayor Hocken told the members of the Centre and South Toronto Conservative club last night that Premier Borden's navy proposals will be found, when all has been announced, to be of a most sweeping nature. The great superdreadnoughts which he will have Canada contribute to the Empire's defence will be built in this country, of Canadian materials, by Canadian labour and manned by Canadians.

The right hon. the First Minister stated that that consummation could not be arrived at for twenty-five or fifty years; but the Mayor of Toronto is more hopeful for Canada; he has more confidence in the ability of Canada to keep pace with the other countries of the world in respect of industrial development, and he has no such idea as having to wait for twenty-five or fifty years for the building of those dreadnoughts. He goes on to say:

We have here in Canada the world's nickel suppply. Without it the highest type of dreadnoughts could not be built. But Canada does not prohibit the export of nickel. If Germany possessed the same, I believe she would keep it for herself in order to build up the greatest nickel industry in the world.

But Mayor Hocken felt that the question of building dreadnoughts in Canada was not a party question, and that he was justified in expressing his own conviction as to what he thought ought to be done

and as to what he thought Canada was capable of doing in respect of steel shipbuilding.

I have a statement here from an address delivered by Earl Grey a few years ago in respect of the policy of having a Canadian navy. He said:

> It appeared to be the opinion of the Imperial Defence Conference in London that for Australia and Canada to contribute money for the building of dreadnoughts was merely a sop—not a policy. What was the message of England to those great colonies? While we keep a ring-fence around you, heavily taxed and overburdened as we are, we shall find the money to maintain the suppremacy of the seas while you grow strong and do your utmost to lay the foundation of a powerful navy, and then you will be in a position to rally to our assistance when the small population of England shall have found the burden of maintaining the great fleet too heavy to be borne.

The policy of the right hon. gentleman to contribute money to the Government of Great Britain with which to build dreadnoughts is described by Lord Grey as a sop, not a policy. He puts himself most emphatically on record as being in favour of a Canadian navy, because that would give permanent and effective support to the naval defence of the British Empire.

The hon. member for East Hastings (Mr. Northrup), in his argument yesterday evening, stated that one of the reasons why Canada should contribute this amount of money to assist Great Britain to keep up her supremacy of the sea, was because England was poor, the labouring classes were poor that small wages were paid to them so that a penny added to the taxes of the labouring classes of England would make the burden already borne very much greater than that which they had any right to bear. Hon. gentlemen on this side of the House, during the progress of the debate on the resolution, went into figures to show that the statements made with respect to the poverty of England is not justified by the facts. I am not going into another argument to show that; but simply refer hon. members to the replies made to the argument by hon. gentlemen who have already spoken. In the next breath the hon. member for East Hastings stated that England had done so much for Canada in the way of giving money to build her railways, to build her canals, that we owed a debt, that we owed to her an obligation, which was going to be liquidated by the payment of $35,000,000 into the British Exchequer. It is a fact that £400,000,000 of English money is invested in Canada at the present time; but when hon. gentlemen speak of that money as having been given by Great Britain to Canada to build her railways and canals and to carry on her other great enterprises, they are making a statement which of course will not be accepted by hon. gentlemen who know that the hard-fisted money lenders of Great Britain do not give out their money for nothing. It is not for the purpose of giving assistance to Canada, but it is because they find a more profitable investment in Canada than they can find elsewhere. There is a vast sum of English money invested in the Canadian Pacific railway. I need scarcely remind you that the Canadian Pacific railway is a most prosperous institution, and at the present time is paying ten per cent dividends. Therefore, the British capitalist who has invested money in that railway is not only getting a larger dividend out of it than he could hope to get from any other investment, but in addition to his regular ten per cent on the capital investment, he gets frequent slices of the juicy melons which are cut up and distributed from time to time by the directors of the company.

The question of the necessity of this payment to the British Admiralty need not be argued again. The statement has been made over and over again that when the right hon. Prime Minister went to the British Admiralty last year he went there with a cut and dried proposition to contribute $35,000,000 towards the defence of the Empire, and he simply asked what form that contribution ought to take. The suggestion came to him that if he had $35,000,000 to give to the British Admiralty, it had better be in the construction of vessels. The real opinion of the Admiralty as to how the naval forces of the Empire could best be strengthened can be seen in the speech delivered by Mr. Churchill on the 16th of May, 1912. He said:

> We shall soon receive representatives of the new Canadian Administration who are coming over to consult the Government and the Admiralty upon the course and the policy which should be adopted for the future. If the main naval developments of the last ten years have been concentration of British fleets in decisive theatres, it is not unlikely that the main naval developments of the next ten years will be the growth of effective naval forces in the great dominions overseas. Then we shall be able to make a true division of labour between the Mother Country and the daughter states, which is we shall maintain sea supremacy against all comers at decisive points, and they shall guard and control all the rest of the Empire.

It is therefore idle for hon. gentlemen opposite to say that the policy of the right hon. leader of the Opposition with respect to the Canadian navy is a separatist policy. I quite understand why hon. gentlemen opposite, have not the very highest regard for certain principles which are carried out by the present Government in Great Britain. I can quite understand that hon.

gentlemen opposite would feel a little more comfortable, a little more warmly towards that Government if it were composed of Unionists instead of Liberals. Nevertheless the Liberal party is in power in England. And even its most outspoken opponents, will not say that the Government of the Right Hon. Mr. Asquith is possessed of any disloyalty in regard to the manner in which their obligations to the Empire are to be carried out. If you follow the trend of the discussions in Great Britain as reflected in the press of both parties, one thing seems to be absolutely clear, and that is that the people of Great Britain have confidence in the ability of the present Government to carry on the affairs of the country in a manner consistent with its obligations to protect the country from every foe on land or sea. Therefore when the Right Hon. Winston Churchill states that he believes that the true plan is for the forces of Great Britain to protect the heart of the empire and the navies of the colonies to protect their own shores and adjacent waters, he is stating a policy which receives the overwhelming approval of the electors of Great Britain.

I have here a statement which was made by the German Ambassador in October last, expressing his conviction with regard to the attitude of the German Empire towards Great Britain:

We do not cherish the slightest desire or intention of disputing Great Britain's mastery of the seas, said Prince Lichwonsky. A supreme fleet is, as the Britons claim, a life and death question with them. They are supreme now and no responsible person in Germany dreams of disturbing that pre-eminence, but it must not be forgotten that a powerful fleet is also a vital necessity for us. England must not read hostility into the fact when we now and then lay down a dreadnought. Anglo-German relations are beset with difficulties, but they also offer ample opportunities for an agreement.

Since then, a very significant statement was made by the minister in charge of German naval affairs in the German parliament as well as by the Finance Minister, to the effect that they are coming to the conclusion that the time has come to call a halt in the building of dreadnoughts and in the increased armament which Germany has been carrying on for the last ten or fifteen years. There is every expectation that the statements made by these two responsible ministers will be carried out by a further agreement between the governments of these two countries, Germany and Great Britain, which will do away with any future competition as regards naval supremacy.

I have here a statement made by a gentleman who is high in the councils of the Conservative party, and I purpose reading it, to show that the great Conservative party are not a unit as to what ought to be done in the interest of the Empire in regard to naval defence. It is a letter written by Mr. C. H. Cahan, K. C. of Montreal. Mr. Cahan was for years a very prominent citizen of the province of Nova Scotia. He is a native of that province and has enjoyed high political honours at the hands of his party friends there. For four years he was leader of the Conservative opposition in the legislature of Nova Scotia, and no person will accuse him of desire to give comfort to the Liberal party of this country when he takes a stand hostile to the avowed policy of the party which he usually supports. Writing to the Montreal Gazette, he says:

A careful examination of the reports of recent debates in the English Houses of Parliament will furnish convincing evidence that the members of the present British Government and their expert advisers of the Admiralty are clearly of opinion that the British navy is still supreme upon the seas and competent for all political or other exigencies which can at present reasonably be foreseen. If a majority of the people of Great Britain believed otherwise, it would have been impossible for the Asquith Government to have lived through the recent session; while, as a matter of fact, no effective efforts were made by the opposition to challenge the Government's policy with respect to naval developments.

The 'German scare,' which has been somewhat artificially and altogether adroitly created in Canada, finds meagre, if any, support in the official declarations of responsible English ministers of the Crown.

On July 10, Sir Edward Grey, foreign secretary, in a lengthy statement to the House of Commons regarding England's foreign relations, said:

'Our relations with the German Government at the present moment are excellent. We are perfectly frank with each other about all questions of mutual interest, and I believe that when questions come up, whether they be, for instance, in connection with our respective interests in South Africa, or whether they be in connection eventually with the Bagdad railway, both governments are convinced that their mutual interests can be perfectly reconciled.'

Speaking in the Commons on July 25 ultimo, on Imperial defence, Mr. Asquith, Prime Minister, declared:

'Our relations with the great German Empire are, I am glad to say, at this moment—and I feel sure are likely to remain—relations of amity and goodwill. My noble friend, Lord Haldane, the present Lord Chancellor, paid a visit to Berlin early in the year. He entered upon conversations and an interchange of views there which have been continued since in a spirit of perfect frankness and friendship, both on one side or the other, and in which I am glad to say we now have the advantage of participation of a very distinguished diplomatist in the person of the German ambassador.'

Mr. Bonar Law, leader of the opposition, following Mr. Asquith, said:

'I am quite sure that if this country really

believed that there was danger they would refuse no possible sacrifice which the Government could ask. But in spite of all that has been said, does the country, do the House of Commons, do any of us really believe that there is danger and vital danger? I confess that I have the greatest difficulty in believing it myself—I confess it.'

It is true that Mr. Bonar Law proceeded to argue that 'this country has never been in a position of greater peril,' but as England has never really been in peril, his expression may have meant less than would at first appear. It is sufficient for my present purpose, to note that no member on the ministerial benches appeared to give the slightest credence to Mr. Bonar Law's suggestions of peril, and that even he practically admitted that the country did not really believe such suggestions well founded. Perhaps the best evidence of the confidence of England is that in recent electoral contests in that country the alleged 'German menace' and the naval question generally have scarcely been referred to by the respective candidates.

The reason why the English electors are not convinced that there is a serious peril now imminent is doubtless due to their belief in the truth of the statements of responsible members of the Government, who are or should be thoroughly informed of the facts.

On July 2, on the eve of the arrival of the Canadian ministers in London, a debate occurred in the House of Lords upon the naval position in the Mediterranean, when, speaking officially on behalf of the Government, Lord Crewe said:

'So far as our existing position in any part of the world is concerned we are not afraid to declare that we consider the security of the country is achieved.'

And, proceeding to explain the basis of this emphatic declaration, Lord Crewe added:

'Taking March 31 of this year, we find that we have 16 battleships and battle cruisers of the dreadnought type, as against 15 possessed by all the other powers in European waters. Next year we shall have 24 ships of this type as against 21 possessed by all the other naval powers in Europe. These battleships represent a distinct margin over the two-power standard.'

Possessing two dreadnoughts for each and every one owned by all European powers, the Englishman reads with a degree of complacency what he believes to be the exaggerated statements of a few uninformed politicians occupying the opposition benches.

The positive official declarations which I have quoted above categorically affirm:

1. That the political relations between Great Britain and Germany are excellent.

2. That, even if those relations were not relations of amity and goodwill, Great Britain enjoys 'enormously superior power' upon the North Sea; and moreover is, to use the words of Prime Minister Asquith, 'overwhelmingly superior in naval force against any combination which could reasonably be anticipated.'

3. That an increasing superiority of British naval strength is now assured till 1916.

4. That the British Government, in next year's naval estimates, will supply all the moneys that the British Admiralty think necessary to fully and adequately safeguard British interests.

5. That 'a great splash of a programme' is not only not necessary, but would help to bring about the particular evil which you wish to avoid.

6. That to make greater haste in construction must result in waste of public funds; and that even the British Government cannot conceive a condition of affairs for dealing with which 'the margin of time is not sufficient for our purpose.'

7. That, in fact, the British Government has the situation well in hand and 'there is no need whatever for panic or alarm.'

Such are the pronouncements of the highest officials of the Government and of the Admiralty of Great Britain. Is it any wonder that the people of Great Britain refuse to take alarm at the suggestion of politicians out of office, who are unable on the floors of Parliament to make good their querulous complaints? The people of Great Britain are confident that their Government has made, is making and will make adequate provisions to maintain British naval supremacy. That Government is exclusively responsible to the electors of Great Britain!

Only five years ago, the Prime Minster of England, Sir Henry Campbell-Bannerman, declared at the Imperial Conference of 1907, that:

'The cost of naval defence, and the responsibility for the conduct of foreign affairs hang together.'

And so long as the British electorate is content with their Government's conduct of foreign affairs, and with the ample provision made by their Government for their naval defence, why should Canadians attempt, by free gifts of their public funds, to express want of confidence in the British Government, which is not responsible to us, or seek to make up an alleged deficiency in British naval construction, when the British Government and their experts of the Admiralty so positively declare that no such deficiency really exists.

I do not desire to say one word against Canada contributing the full share to the naval defence of the British Empire on conditions consistent with equality of citizenship and proportionate participation by Canada in the control and conduct of Imperial affairs and international relations. But that is a problem to be worked out patiently and intelligently in the face of difficulties, due chiefly to the clearly disclosed desire of the executive of the British Government to retain, as firmly as ever, their own exclusive control.

On July 22nd Mr. Churchill stated in the House of Commons that 'Mr. Borden and his colleagues are now in possession of all the facts, and we have discussed with the utmost freedom and confidence the action which should be taken, and the way of surmounting the difficulties which obstruct such action.'

It is inconceivable that any of the facts made known to the Canadian ministers should be inconsistent with the official statements above quoted. If so, there is no reason for immoderate haste; and there is every reason why any contribution that Canada may undertake, while commensurate with our wealth and consistent with our self-respect, should also be made on a basis that shall ensure popular approval in this country and regular

and continuous Canadian support for the maintenance of the naval supremacy of the Empire of which we form a part.

C. H. CAHAN.

Montreal, October 3, 1912.

Such is the statement by a leading Conservative on the question of emergency, and with reference to the policy propounded by the right hon. Prime Minister as contained in the Bill at present before the House. Hon. gentlemen will observe that Mr. Cahan is concerned about the manner in which this policy will be received by the people of Canada, as he says that such a policy should be made on a basis that shall insure popular approval in this country. That is the point that particularly concerns Mr. Cahan; he thinks in his heart that this policy will not receive the popular approval of the people of Canada, and the Government which he supports in all other respects will have a very much shorter tenure of office than he and other friends of the Conservative party would desire it to have.

The question as to the constitutionality of the Bill now before the House is involved in the amendment of the hon. member for Assiniboia (Mr. Turriff). Hon. gentlemen on the other side who have spoken to that amendment seem to make little of the idea that an appeal should be made to the people for the purpose of receiving their determination as to whether or not the policy of the present Government should be carried out. The hon. member for Jacques Cartier, (Mr. Monk), late Minister of Public Works in the present Government, felt himself constrained to tender his resignation to the right hon. Prime Minister a few months ago, and I have before me a copy of the letter of resignation which that hon. gentleman wrote to the Prime Minister on the 18th October, 1912. It reads as follows:

My dear Premier: I regret to find that I cannot concur in the decision arrived at by the Cabinet yesterday to place, on behalf of Canada, an emergency contribution of thirty-five million dollars at the disposal of the British Government for naval purposes, with the sanction of Parliament, about to assemble, without giving the Canadian people an opportunity of expressing its approval of this important step before it is taken.

Such a concurrence would be at variance with my pledges and the Act proposed is of sufficient gravity to justify my insistence; it goes beyond the scope of the Constitutional Act of 1867.

Holding this view, as a member of your Cabinet, I feel it my duty to place my resignation in your hands.

Permit me to add that my decision has been reached with regret on account of my agreable relation at all times with yourself.

Yours sincerely,

F. D. MONK.

That, Mr. Speaker, discloses the attitude of the late Minister of Public Works towards the Government in respect to this important matter. In the course of the observations which I have made, I have endeavoured to put before the House evidence of other parties than those unfriendly to the present Government, and to show that the members of the Conservative party are not a unit upon this question, I have quoted the statements of Mr. Cahan and the letter of the ex-Minister of Public Works. I have here also a statement taken from Le Devoir, written by Mr. Bourassa a few weeks ago, which I propose to read to the House:

I have been told, and my source of information is as good, as the one behind the 'emergency,' that Mr. Borden found some difficulty in obtaining his 'emergency.' The document handed to him in London by Mr. Churchill was such a poor proof of the emergency that Mr. Borden asked for another. The one he was given the second time was so little terrifying that on his return to Canada Mr. Borden wired to London asking for a third one.

Everyone remembers the mysterious declaration of the Prime Minister at the banquet on the 21st September last—the framing up of the 'emergency' plea, was evidently troubling Mr. Borden's mind.

The third document reached him at last, and Mr. Borden kept it in his pocket until the meeting of the Cabinet council, which fixed the direction to be given to the ministerial policy.

But even then, that third document, which had been obtained after so many efforts, was not so convincing that it could prevent Mr. Monk from declaring after his resignation that, even if the emergency were 'more imperative than stated,' the Government could take all the necessary time to consult the people, as Messrs. Nantel, Pelletier, Coderre and Mr. Monk, himself, had promised on their honour to do.

All the ministers themselves have so small a belief in the emergency—with the exception of Mr. Nantel, who dreams every night of Germans, that Mr. Foster, being disgusted with that timid attitude, courageously proclaimed that the emergency plea was false and that the Ministry had adopted that policy in order to respond to the aspirations and needs of the jingoist element of the Cabinet.

The article does not disclose any information that was not known to the House some two weeks ago. At a very early period in the debate on this resolution it was conclusively proved from the Admiralty memorandum itself that there was a certain amount of pressure brought to bear upon the Admiralty authorities in England to get even such a lame and weak statement as the Prime Minister brought down to this House, but we have here some interesting information. It is within the memory of every hon. gentleman that a very close alliance existed between Mr. Monk, Mr. Bourassa and the right hon. the First Minister until a few months ago, and when Mr. Bourassa undertakes to state what happened with respect to the efforts made by the First Minister to obtain a document which would prove that some shadow of an emergency existed, we must assume that

Mr. Bourassa knew pretty well what he was writing about.

I come now to the consideration of the question whether or not this subject is of sufficient gravity to ask for the opinion of the electorate of Canada before it is carried into effect. I have here the statement made by the Minister of Justice (Mr. Doherty), in the course of the debate upon the Naval Service Act of 1910. It will be remembered that the present Minister of Justice took a leading part in that debate, from a legal point of view. He took the ground on that occasion that the Naval Service Act constituted a fundamental change in our relations with the Mother Country and the rest of the Empire and brought about a position so grave and unprecedented that an appeal was altogether necessary under the constitution. He said:

Why, if a measure involving such consequences from a constitutional point of view, as well as every other, should be propounded in any other country, no one would ever dream of enacting it into law without allowing the people to pass on it. But in this Parliament we are asked to look upon it as an ordinary every day occurrence.

And in order to show that the proposal of the Government stood in the same position as regards its constitutional aspect as a cash contribution the hon. minister made the following statement:

I ask all reasonable people who understand the English language how it is possible to say that if the people of this country choose to give to the Mother Country of their own free will a specific sum of money they are paying tribute. If any gentleman can say 'yes' to that question, then I would ask him how he came to the conclusion that, if the people of this country contribute to the Mother Country for her use ships and men and money, this country is not paying tribute.

The Minister of Justice then proceeded to argue that the question of a cash contribution stood exactly in the same relation to the changed conditions existing in Canada as a contribution of ships for the naval defence of the Empire.

The Prime Minister, then leader of the Opposition, moved a resolution on that occasion in which he stated that this question ought not to be decided by Parliament until it was first submitted to the people. The argument of the Minister of Justice and the First Minister was clear that any contribution that was made for the naval defence of the Empire, whether in cash, as proposed by the present Bill, or in the form of a Canadian navy, as proposed by the late Government, constituted such a vital and fundamental change in our relations to the Mother Country and the rest of the Empire that the Government then in power was not justified in carrying out that policy without an appeal to the people.

The present Minister of Agriculture (Mr. Burrell) also spoke in that debate as follows:

But, Sir, there is much more than this. It may happen that although an administration is not defeated in the House its strength may have waned; popular opinion may have so changed, especially as some question or other of grave national importance has arisen, as to render it advisable to ascertain the true feeling of the country and enable the people to express it by a renewal, or a refusal of their confidence in the Government. It is this phase of our contitutional practice which does in very truth make it essentially a government by the people, and it is the ignoring of this which stamps a government as autocratic and not democratic.

Thus, Mr. Speaker, as in 1784, the doctrine had been clearly laid down that a government must appeal to the people when defeated in the Commons. So, in 1806, the further practice was established that on matters of grave national import a government was justified in appealing to the country, though no defeat of their policy had been sustained in the House. I particularly commend this to the consideration of the right hon. gentleman who leads this House, for he prides himself on his love of democracy, and in his careful following of the practices of the mother of parliaments.

Well, Sir, as in 1806, so in 1910, there are those who think dissolution an abuse of the prerogative of the Crown by the ministers. My right hon. friend's former supporter, and latterly his bitter critic, Mr. Joseph Martin, denounces dissolution as absolutely unjustified. Lord Lansdowne points out that the Government has received no parliamentary check, and that such a course was ousting parliament from a proper opportunity of discussing the question which the Governement had promised full discussion of when the Bill to which the veto-resolutions were only a preliminary, was introduced. I am not going into the question of whether that dissolution was or was not justified, and I am not foolish enough to think this House would care a rap as to my particular views, but I desire to emphasize the point that here is a Liberal Government in Great Britain going to the country after less than a year's tenure of office, having received no defeat in the House. Why? Confessedly to obtain the verdict of the country on a great question which, though partially discussed, was still a question on which they had received no clear mandate from the people.

Mr. Speaker, I have endeavoured to give a fair presentation of the facts connected with constitutional practice, and I now ask the Prime Minister in the light of these facts where he and his Government stand at the present time in the eyes of the people? He will not deny that so tremendous a step as the creation of a costly navy in this country is not a fit matter for the people to give their mandate on.

Thus we have the views of two leading members of the present Administration to the effect that a question as vital and far-

reaching as that before the House ought not to be dealt with by the Government of this country until it had received its approval by the voice of the people of Canada. As to what the voice of the people of Canada may be it is not for me to say. The only thing I am concerned with at present is that according to the argument used by hon. gentlemen, now members of the Government, on former occasions under similar conditions, in relation to a similar question, an appeal should be made to the country and the arguments advanced on that occasion apply equally well to the Bill before the House.

The right hon. the First Minister may be content with the majority which he has behind him in this House. He may be content to think that that majority will see his Bill through, and that a majority in this House is a justification for saying that he has the country behind him in respect to this policy which we are discussing. I may say that years ago when the Duke of Newcastle, as Premier of England, desired to get the King's approval of a certain policy, and urged that Parliament was in favour of it, 'You have taught me,' replied the King, 'to look for the sense of the nation in other places than in the Houses of Parliament.' So I may say to the right hon. the First Minister that though Parliament may be behind him, though a majority may enable him to put this Bill through all its stages, the sense of the country may not be found in the Parliament of Canada, but among the common people who read and think for themselves on this important question. With respect to that there can be no two opinions. The amendement of the hon. member for Assiniboia is one which will receive the approval of members on this side of the House; I cannot hope that it will receive the approval of members on the other side of the House, but I am convinced that if this question were submitted to the people of Canada, after the election was over hon. gentlemen opposite will have a little more light as to what the real sentiment of Canada is on the question than they seem to have at the present moment.

Mr. J. A. M. ARMSTRONG (North York): I confess that I listened very carefully indeed to the remarks of the hon. member for Richmond (Mr. Kyte), who has just taken his seat, with a view to securing, if possible, some subject matter on which to speak. I regret to say that throughout his remarks, in my humble opinion, he has said very little worthy of the serious attention of hon. members of this House. It is true, and I am sorry to say it is true, that he took up a considerable portion of his speech in an endeavour to prove to this House that the policy of the Liberal party was not a separatist policy. He also referred in sneering terms, or rather he sneeringly used the word 'Toryism' on several occasions. Permit me to tell the hon. member for Richmond that if he will take the trouble to study the political history of Canada, he will find that the Toryism, at which he sneers, is engraven on the pages of Canadian history, and that the history of that Toryism will live years after the hon. member for Richmond has departed from public life.

I think I am safe in saying, Mr. Speaker, that the question now before the House has been discussed from its various view points pretty comprehensively, and I also think I am safe in saying that it is almost impossible for any member on either side of the House to give anything in the way of new argument. It is not my intention, or desire, therefore, to take up the time of the House at any length, but in view of the fact that I represent a Liberal constituency, a constituency which, for nearly forty years, consistently sent a representative of the Liberal party to this House, I feel I would be derelict in my duty, and recreant to the trust which was reposed in me by the people of the riding which I have the honour to represent, if I failed to take this opportunity of placing myself on record in regard to this great Imperial question that the Parliament of this country is now called upon to decide. I regret exceedingly that the right hon. the leader of the Opposition did not see fit to look upon this question from a non-partisan standpoint. I had hoped sincerely that in this instance we would have an opportunity of seeing the right hon. the leader of the Opposiiton standing shoulder to shoulder, and joining hands with the right hon. the leader of this Government, in sending a message across the seas that Liberals and Conservatives alike in Canada were determined to do their share in maintaining Britain's supremacy on the high seas. While I say I regret the fact, I must confess in all sincerity that I am not surprised, because I have endeavoured, in my own humble way, to follow the political record of the right hon. the leader of the Opposition for the past fifteen years, and I want to say to this House and to the country that, on every occasion the people of this country have been called upon to decide an important question, the right hon. the leader of the Opposition has done his utmost to stir up racial and religious cries throughout this land. I want to tell him that for fifteen long years he has preached the gospel of peace, and that throughout those fifteen long years he has been ready and willing, as appears by his stand on this question, to let loose the dogs of religious

and racial war from one end of the country to the other.

Several hon. gentlemen on the other side of the House in the early days of the debate on this question were very vociferous in the charges which they hurled across the floor. I think the hon. member for South Wellington, was the first to cast down the gauntlet, and to call upon the Government to resign and go to the country. I do not blame the hon. member for South Wellington, who I regret is not in his place; I do not blame him a particle, for if I had been as close to the treasury benches as he apparently was, and had seen the fruits of office which were ready to drop into my hand taken away in the twinkling of an eye, I would have been ready to take any kind of chance to get back into the game. The hon. member for South Renfrew (Mr. Graham) also took up the challenge. In the event of an appeal to the people, I wonder if that valiant warrior would be good enough to inform the House where he would carry on the fight. Would he like to go to Brockville where the people know him best, or would he prefer to have the safe seat which he now occupies? The people would be much interested in knowing what this valiant warrior would do in a case of that kind. Now Sir, the whole argument so far as I can learn, is based on the question of whether or not there is an emergency. I think that hon. gentlemen opposite will agree with me in saying that if in their opinion there was an emergeny, they would be only too willing to stand shoulder to shoulder with us upon this question. I think there is no divergence of opinion in that regard. The question is whether or not there is an emergency, and how is this House going to determine the question? What have we to work upon? In my opinion, the question comes down to this: Hon. gentlemen opposite say there is no emergency; on this side of the House we have the right hon. the leader of the Government coming here, and on his responsibility as leader of the House and leader of the Government, giving his pledge that, having conferred with the Lords of the Admiralty, there is an emergency or a need. Now I ask hon. gentlemen opposite. is it fair or reasonable to ask us on this side of the House to take the word of the right hon. the leader of the Opposition simply because he says, for the purposes of political expediency, that there is no emergency, and that therefore he will not support that policy? Too much, in my humble opinion has been said in regard to the German peril. I think that the hon. members on both sides of the House should look upon a question of this kind with a good deal of breadth of thought. I think it ill becomes any hon. member to rise in his place and to say anything that is calculated to wound the susceptibilities of any of the citizens of this Dominion who may be of different extraction from those who speak the Anglo-Saxon tongue and come from Anglo-Saxon parentage. This country is in a very peculiar position. Every year according to our statistics we find thousands upon thousands of new comers to our shores, representing every country under the sun. We have citizens from Germany, Spain, France, Russia and other countries. They are making good citizens and no good object can be served by endeavouring to play upon the chords of racial prejudices on a question of this kind. Germany, in so far as her naval armament is concerned, is doing exactly what she ought to do, if she is going to remain true to the traditions of her people. She has every right to increase her naval strength if she sees fit, just the same as we claim that we have a right to increase ours. We should look upon this question from a broad standpoint, we should not look upon it from the point of view as to whether or not Germany is going to attack England, but whether or not England is in a position to maintain her supremacy upon the high seas and her superiority over every other country in the world. If the question is looked at in the right way, if it is argued from the right standpoint, there is no reason for any person in this House or outside of it to say anything that is calculated to wound the susceptibilities of those who have sprung from a different origin than we of Anglo-Saxon parentage.

I want to say a word or two in regard to a phase of this question that has not been brought conspicuously to the attention of the House. There is a certain portion of the community which is opposed to a contribution in any way, shape or form. I have heard it stated on more than one occasion that the giving of money or the building of dreadnoughts is not conducive to the peace and harmony of the different nations of the world. In regard to that, I would simply like to say that in my humble opinion, human nature is the same as it was in the days of Adam, that nations will strive to the end of time, the law of might will prevail as long as man, time and place exist, and that the greatest factor for peace among the nations of the world to-day is the absolute preparedness for war. The maintenance by England of her position amongst the nations of the world and the power which she has wielded in years gone by have constituted a factor for peace and peace can only be preserved by placing her in a position to maintain her absolute supremacy upon the high seas.

Hon. gentlemen opposite have had a great deal to say with regard to manning the ships. They say that we should build them in Canada, maintain them and man them by Canadians. In case of war I have no doubt as to the action which Canadians would take. They have declared in the past that they are willing and ready to defend the honour and integrity of the Empire either on land or on sea and I am sure they will do it again. But, under the conditions existing to-day in this young country where wages are high in every walk of life, it is utterly impossible for us, in times of peace, to man dreadnoughts as proposed by the leader of the Opposition. The statement which I have made with regard to the manning of these ships I have verified by a reference to the number of recruits that were secured by the Naval Service Department during the last three or four years. I think it is quite evident, without my saying anything further with regard to it, that under the present existing conditions it would be impossible for Canadians to man two or three, or even one dreadnought. I would ask the House to look upon this question from a broad, national and imperial standpoint. There is no need for any divergence of opinion. Honourable gentlemen opposite should be willing to take the word of my right hon. friend the Prime Minister whose honesty and integrity are household words from sea to sea. When he comes down to this House and states that there is an emergency, lays on the table the information he has secured from the Lords of the Admiralty and tells us further that he has information which is of a confidential nature and which he dare not disclose to Parliament, it is the duty of this House and of every self-respecting citizen to take his word and give to Great Britain the $35,000,000 that they claim is necessary to secure for them supremacy upon the sea. I would ask the House, therefore, to look upon this question in the right way. I do not believe in introducing a question of this kind into the realm of party politics. That never did any good, it never will do any good and I urge upon the House to take such action on this question that, when the question is decided and Canada has done her part and has declared to the world that she is ready and willing to take her full share in the defence of the Empire, this House will have no reason to be ashamed of the stand that it has taken.

It is not necessary for me to say that, in my humble opinion, both sides of this House are equally loyal. I am not going to question the loyalty of anybody in the House. I take it for granted that hon. gentlemen opposite are actuated by the same hopes, aspirations, and desires in so far as Great Britain is concerned as I am myself, but I do say that in the course of some remarks that have been hurled across the floor of this House to our friends of French-Canadian birth hon. gentlemen opposite have displayed a very poor conception of what I might term the desire to promote peace and harmony throughout the land. They hurled taunt after taunt at our French-Canadian brethren and at ministers of French-Canadian birth. Why, I do not know, but as far as the French-Canadian citizen is concerned, while he may have different ideas from those which we entertain, and while he naturally has a love for the land from which his forefathers sprang I believe in my innermost heart that, should the call come to Canada from the Empire, the hon. gentlemen who have been slurred so often in this House would not be found to be the last to volunteer in defence of the Empire and the flag.

It has been said that this is the permanent policy of the Conservative party. If I for one moment thought that it was the policy of the Conservative party to institute a series of contributions, I would be one of the first to stand up in my place and vote against it. If I thought for one moment that this was the forerunner of other contributions I would raise my voice against it, and I would vote against it. But I defy hon. gentlemen opposite to show me one word, to show me one line, in any utterance of any hon. gentleman who occupies a seat on the treasury benches indicating that it is a forerunner of other contributions of the same kind. It is generally considered and believed throughout Canada that the statement that has been made by my right hon. friend the leader of the Government is absolutely correct, that it is necessary, in order to maintain Great Britain's supremacy on the high seas, that Canada shall at this juncture do something to take some of the burden off the shoulders of the British taxpayer. I appeal to this House in dealing with this question, to realize that we are not legislating only for to-day, that we are not legislating only for to-morrow, but that we are legislating for the benefit of the generations which are to come. I appeal to hon. gentlemen to look at this question not simply from the standpoint of the Liberal, or the standpoint of the Conservative, but to look at it from the standpoint of a Canadian citizen who is willing and eager to do his full share in the upbuilding of the British Empire, and in maintaining its supremacy upon the high seas. Judging from the utterances of the hon. member for Richmond (Mr. Kyte), I think it is the intention of hon. gentlemen opposite to take up a great deal of the time of the House in speaking of questions of a rather irrelevant nature. In the first

place he gave us a dilation on Irish Home Rule. He also spoke of other matters that I do not think have very much to do with the naval question under debate. As far as that is concerned, I presume it is within their rights to obstruct the proceedings of the House to the full extent that they see fit. At the same time I wish to tell them that there is a public opinion throughout this country that they cannot take any chances with. If they see fit at this juncture, in view of the fact that the Prime Minister has informed the House and the country that there is an emergency, and that it is necessary for this House to do something and to do it right away, to use obstruction tactics, those tactics will receive their just reward when we go to the people at the next general election. The hon. member for Richmond also made some reference to carrying out of pre-election promises. In my humble opinion, it ill becomes hon. gentlemen on the opposite side of the House to make remarks about the carrying out of pre-election promises. Up to this date I know of no promise made by the right hon. the leader of the Government that has not been fulfilled. I think hon. gentlemen opposite will find, so far as the naval problem is concerned, that when we go to the people again, he will again fulfil the promise he made to the people prior to the last election, and he will submit to the people a policy that will meet in every way their approval.

It is not my intention to delay the House any longer in dealing with this question. I have taken the stand I will accept the word of the right hon. the leader of the Government and take it for granted there is an emergency. I am satisfied to take the word of an hon. gentleman who has so lately conferred with those who should know all about naval affairs in preference to the word of a man who has nothing to serve at present but political exigency. I am prepared to stand by the right hon. the Prime Minister in the proposal that he has placed before the House; I am prepared to stand by him, and I know that the majority of this House will do so. Even if hon. gentlemen opposite see fit to fight this matter to the bitter end, we eventually will send across the ocean a message from a certain portion at least of the people of the Dominion, that the majority of the Canadian people realize what they owe to the Mother Land, that they realize the privileges and the liberties which they have enjoyed under the British flag in the years gone by, and that for the sake of handing down to their children and their children's children those same rights and those same privileges, they will do what is now asked by the leader of the Government in order to retain the supremacy of that nation upon the high seas.

Mr. ARMSTRONG (N. York (O.)

Mr. J. J. HUGHES (Kings, P.E.I.): Mr. Speaker, it is admitted by everybody that no more important question, no question, fraught with more far-reaching consequences, has been before the Canadian Parliament and the Canadian people since Confederation than the one which we are now discussing in this House. It therefore behooves every man in the Dominion of Canada to give to the consideration of this question the best thought of which he is capable, in order that he may arrive at a correct decision upon it. It especially behooves the members of this House, who perhaps are in a better position to study this question than the ordinary man, to consider it carefully in order that they too may arrive at a correct decision upon it and in order that they may as far as possible guide public opinion along correct lines. I was therefore somewhat surprised to see, while the resolution was before the House, that so many hon. members supporting the Government declined and refused to discuss the question. I do not know whether they found it difficult to give reasons that would even satisfy themselves for the absolute change of attitude that the Conservative leaders and the Conservative party have taken upon this question within the last year or so.

In order that those, who may do me the honour to read the remarks that I make upon this subject, may have as clear a conception as I am capable of giving them, it will be necessary for me to go back to the time when this subject was introduced in this House in a concrete form and to touch at least upon the more salient points from that time down to the present. In the session of 1909, the Hon. Mr. Foster, now Minister of Trade and Commerce, put this resolution upon the Order Paper, which will be found on 'Hansard,' page 3484:

That in the opinion of this House, in view of her great and varied resources, of her geographical position and national environments, and of that spirit of self-help and self-respect which alone befits a strong and growing people, Canada should no longer delay in assuming her proper share of the responsibility and financial burden incident to the suitable protection of her exposed coast line and great seaports.

In support of that resolution, the hon. gentleman was said by those who heard him to have made the strongest, the most pregnant and the most convincing speech that he ever delivered either in this House or out of it. I have read that speech over carefully and I am bound to say that it is well worthy of the praise which has been given to it. It convinced me that the hon. gentleman had thoroughly studied his subject, that he thoroughly understood it in all its phases, and that at that moment he was giving expression to the honest opinions which he held as a Canadian, as a

British subject and as a member of this House. In order that I may do the hon. gentleman no injustice, it will be necessary for me to quote an extract from that speech, because it is so much better than anything that I could say upon the subject. He discussed the question from every standpoint; he discussed it from the standpoint of a contribution, he discussed it from the standpoint of a Canadian navy, and he gave his opinion accordingly. Here is what he said:

The first and greatest objection which I have to a fixed money contribution is that it bears the aspect of hiring somebody else to do what we ourselves ought to do; as though a man, the father of a family, in lusty health and strength, should pay his neighbour something per month for looking after the welfare and safety of his home instead of doing that duty himself. That seems to me, when you work it out, to be a basic objection to this form of aid. It goes still further than that. Suppose you contribute this year your sum, and next year your equal sum, and thereafter year after year. After ten or twelve, or twenty, or thirty years, you will have paid out an immense amount of money. You will have been protected in the meantime; but in Canada itself there will be no roots struck, there will be no residue left, there will be no preparation of the soil, or beginning of the growth of the product of defence. Yet some time or other, no one can doubt that with resources and with a population constantly increasing, we must and will have in this country a naval force of our own for our coast and home defence.

The interest that we take in a contribution spent by another is not the interest that I desire for Canada. I want to see something grafted on the soil of Canada's nationhood, which takes root and grows and develops until it incites the spirit of defence in this country, leads to a participation in the defence, leads to that quick interest in it, its glories, its duties and its accomplished work, which is after all the one great thing that compensates a people for great expenditures either on land or on sea in the way of defence and of the maintenance of the rights of the country.

Again, it disjoins what has been joined together from the earliest days of the world's existence—commerce and the protection of commerce. After all, the basic idea of a naval force is the protection of the commerce of a country. A commerce side by side with its protector, and its protector side by side with the growing commerce of a country, flourish best together, and are the surest helpers to each other. That is the idea which is in my mind—that when we make our contributions in the way of a fixed sum and it goes from us, and we are not responsible for it, we have none of the inspiration arising from the growth and development of a system of future defence in our own country. We are deprived of the larger benefit ourselves, and in the future we do no greater service to the empire of which we form a part, in this matter of defence.

Then, again, I think this method ignores the necessities and the aspirations and the prospects of a great people such as the Canadian people are destined to become. We must have beginnings; these must at first be small; but some time, or other, as I have said, our country will have its naval force for the defence of this country if for nothing else.

The point with me is as to whether it is not the greater wisdom to sow the seed at once and cultivate its growth, as best we may, in our circumstances and with our resources, until at last we arrive at that stage of expansion which we have reached in other great lines of our country's progress.

Could anything be stronger? Could the case be put better or more explicitly? Yet we find to-day an entire reversal of opinion, an entire change of attitude on the part of these hon. gentlemen. And for what reason? I have listened carefully to the speeches delivered by hon. gentlemen on the other side, and I fail to find any justifiable reason given for the great change which has taken place. But that is not all. The Right Hon. Sir Wilfrid Laurier, then leading the Government, followed, and he declared that the Government of which he was the leader was prepared to consider this matter along the lines laid down at the Imperial conference in 1902, and establish a Canadian navy for the defence of our own coasts and commerce, and if need be in co-operation with the British navy in defence of the Empire. And the then leader of the Opposition, now leader of the Government (Mr. Borden) made this statement:

In so far as my right hon. friend the Prime Minister to-day outlined the lines of naval defence of this country, I am entirely at one with him. I am entirely of opinion, in the first place, that the proper line upon which we should proceed in that regard is the line of having a Canadian naval force of our own. I entirely believe in that. The other experiment has been tried as between Australia and the Mother Country and it has not worked satisfactorily in any respect. In Great Britain the contribution has perhaps been regarded as rather unsatisfactory. In Australia it failed, in the end, to meet with the approval of the people, for the reason that Great Britain felt constrained to ask Australia that the field of operations of the squadron should be extended to the China and Indian seas; and when the operation of that squadron was so extended, the Australians felt that the contribution which they had been making for some years past was not really being used to give that protection to Australia which her interests demanded. So that, the policy of Australia at the present time is to build up a flotilla of submarines and torpedo boats which, in case of war, would co-operate with the armed cruisers and battleships of the British navy. It was pointed out in discussing this question that Australia in providing a force of that kind would provide a force which it would be very difficult if not impossible for Great Britain to send across the seas, and

that in thus protecting themselves they were providing the best possible force for the protection of the Empire. So, I am at one with the Prime Minister as far as this is concerned. I am at one with him in this respect also that I think an expenditure of money designed for that purpose ought, in the main at least, to be under the control of our own Parliament, and that by making an appropriation of that kind and attending to the defence of our own coasts, by co-operation and co-ordination with the Imperial naval forces, we would be rendering a real service in the defence of the Empire, and we would be doing our duty not only to Canada but to the Empire as a whole.

That was the statement of the right hon. gentleman on the 29th of March, 1909, in speaking on this question. Now, I say again, could language be stronger, and could the case be better put? And what has happened in the meantime that these men have changed their minds so absolutely? We know what has happened, everybody in this country who cares to know knows what has happened; but I will come to that a little later on. However, these were the statements made by these gentlemen when they were free to express the opinions that they honestly entertained. I suppose they had given the matter full consideration at that time; I suppose they understood what they were talking about. If they did not understand it then, what are we to think? If they were right then how can they be right now when they advocate a policy entirely at variance with what was advocated then? In accordance with the sentiments then expressed during that session, both parties came together and this resolution was framed and obtained the unanimous support of the members of this House, with the exception perhaps of the hon. member for Jacques Cartier (Mr. Monk), who was absent when the vote was taken, and the member for East Hastings (Mr. Northrup), who declared the other day that he did not vote for the resolution. The resolution passed this House after careful and mature consideration. I quote from 'Hansard' page 3564:

> This House fully recognizes the duty of the people of Canada, as they increase in numbers and wealth, to assume in larger measures the responsibilities of national defence.
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> The House is of the opinion that under the present constitutional relations between the Mother Country and the self-governing dominions, the payment of regular and periodical contributions to the Imperial treasury for naval and military purposes would not, so far as Canada is concerned, be the most satisfactory solution of the question of defence.
>
> The House will cordially approve of any necessary expenditure designed to promote the speedy organization of a Canadian naval service in co-operation with and in close relation to the Imperial navy, along the lines suggested by the Admiralty at the last Imperial conference, and in full sympathy with the view that the naval supremacy of Britain is essential to the peace of the world.
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> The House expresses its firm conviction that whenever the need arises the Canadian people will be found ready and willing to make any sacrifice that is required to give to the Imperial authorities the most loyal and hearty co-operation in every movement for the maintenance of the integrity and honour of the Empire.

And hon. gentlemen opposite say now that we should agree with them, and they invite us to take up the policy they now advocate. We wonder why they ever disagreed with us, we wonder what has happened in the meantime to make them entirely change their opinions. But that is not all. The right hon. gentleman now leader of the Government went to England during that summer, and in London, at a banquet on Dominion Day, he made a speech exactly along the lines of this resolution and in accordance with the statement he made in Parliament during the previous session. I will read from that speech, in which he was referring to the resolution which, practically speaking, had been unanimously adopted by this House. He said:

> The resolution in the form in which it was passed, while its terms might not upon their surface seem significant at the moment as the offer of one or two dreadnoughts would have been, laid down a permanent policy for the Dominion of Canada upon which both parties united, and which would serve a more practical purpose than any such offer of dreadnoughts.

Mr. PUGSLEY: Who made that statement?

Mr. HUGHES: The right hon. Prime Minister at the Dominion Day banquet in London in 1909. Mr. Speaker, I desire earnestly to come to a correct conclusion upon this question, but from the arguments made by this hon. gentleman, I am not yet convinced that the statements then made were incorrect, or that the policy then laid down would be an improper one for this country to adopt. The right hon. gentleman came back to Canada in the same year, and he made a speech before his constituents in the city of Halifax. These remarks, which, no doubt, were carefully considered and thought out, were made months after the discussion had taken place in Parliament, and the resolution passed. The report appears in the Halifax Herald of October 15, 1909, and the heading is: 'Mr. Borden Lifts the Question of National Defence above Petty Partisanship.' He is reported to have said:

> The House of Commons last session laid down a certain policy touching naval defence in which both political parties united. It may not have satisfied the aspirations of all Conservatives, but it seemed our bounden duty to place, if possible, above the limits of partisan strife a question so vital and far-

reaching, and to attain the standard which has for many years governed both political parties in Great Britain with respect to foreign relations. How the present administration will work out the policy which was outlined by the resolution to which I have alluded, remains to be seen. One governing principle at least should control, namely, that out of our own materials, by our own labour, and by the instructed skill of our own people all necessary provision for our naval defence should be made so far as may be, reasonably possible. In this connection, may we not hope that there shall be given a stimulus and encouragement to the ship-building industry of Canada which has long been lacking.

Can it be possible that the same hon. gentleman, two or three years after making that statement in the city of Halifax, declared in effect that not for twenty-five or fifty years would we be able to have a ship building industry in this country, or be able to construct a navy of our own? I cannot understand what has brought about such a change, and I would be very glad indeed to know.

About this time, a certain gentleman—a strong Conservative—came to the conclusion that the leader of the Conservative party had made a political mistake in 1909 in uniting with the Liberals and passing that unanimous resolution. I have heard the statement made that a leading member of the Manitoba Government, now a minister in the present Administration, was strongly of that opinion, and that he influenced others to hold the same opinion, that influence being brought to bear at that time on the leader of the Conservative party. Some persons who desired that this question should remain out of party politics were afraid that sufficient pressure might be brought to bear upon the leader of the Government to cause him to change his mind, and depart from the ground on which he then stood. Amongst these gentlemen was, I think, Sir Charles Tupper. He wrote a letter to the right hon. the leader of the Government, from which I take this extract:

> All difficulty as to the question of autonomy is now removed, as it is fully recognized that the great outlying portions of the Empire are sister nations, and that means are adapted to secure uniformity in the naval forces of the Empire in the design and construction of the ships, and the training of the officers and men. They are also to be interchangeable and thus secure uniformity in every respect, so as to act as effective units with the British navy. Of course the Government of the day will be held accountable for the carrying out of the policy thus agreed upon in a thoroughly effective manner, but I cannot avoid thinking that a fearful responsibility will rest upon those who disturb or destroy the compact entered into on this vitally important question.

Have hon. gentlemen opposite incurred that fearful responsibility foreshadowed in the letter of Sir Charles Tupper? There can be but one opinion on the matter—and it is indeed, a fearful responsibility.

In the next session of Parliament, in accordance with the resolution passed in 1909, the right hon. the leader of the Government (Sir Wilfrid Laurier) on January 12, 1910, introduced Bill No. 95, respecting the Naval Service of Canada, the proposition being along the lines suggested in the resolution passed during the preceding session, and along the lines at present followed by the Liberal party. The right hon. Mr. Borden, now Prime Minister, in the statements which I am about to quote, was getting some distance away from the position he took the year previous, but not very far. Some pressure had evidently been brought to bear upon him in the meantime, but not sufficient to enable him to repudiate the statements he made the year before. This is the statement he made on the 12th of January, 1910, as it appears in 'Hansard' of that year, page 1746:

> It has been suggested that instead of the organization of a Canadian naval force, there should be a system of annual contributions from this country to the Mother Country, and I am free to admit that from the strategical point of view I would be inclined to agree with the view of the Admiralty that this would be the best way for the great self-governing dominions of the Empire to make their contributions. But, Sir, from a constitutional and political standpoint, I am opposed to it, for many reasons. In the first place I do not believe that it would endure. In the second place it would be a source of friction. It would become a bone of partisan contention. It would be subject to criticism as to the character and the amount of the contribution in both parliaments.

I suppose that meant the Parliament of Canada and the Parliament of the Mother Country, and that is just what has happened, just what has taken place.

> It would be subject to criticism as to the character and amount of contribution in both Parliaments. It would not be permanent or continuous, it would conduce, if anything could conduce, to severing the present connection between Canada and the Empire.

Sir, I am opposed to a contribution on the statement made by the man who is now Prime Minister of the country that it would conduce, if anything could conduce, to severing the present connection between Canada and the Empire. Do hon. gentlemen opposite fully realize the position they are taking when they are supporting a policy of which it has been said by the gentleman who leads the Conservative party, the right hon. the First Minister, that it would not be permanent or continuous. that it would conduce, if anything could conduce, to severing the present connection between Canada and the Empire? That is a serious statement and that is what we

are up against. Something serious and important must have happened to make the Prime Minister of this country and the whole Conservative party change their attitude and their position of three years ago, what is it? Something happened. In the fall of 1910, I think in October or November, an election was held in Drummond-Arthabaska. After the Naval Bill had been introduced into the House by the Liberal Government an agitation sprang up in the province of Quebec, led by the member for Jacques Cartier (Mr. Monk), Mr. Bourassa who formerly held a seat in this House, Mr. Lavergne, also a former member, the hon. the Postmaster General (Mr. Pelletier) the Minister of Inland Revenue (Mr. Nantel) and other gentlemen from Quebec. Sir Wilfrid Laurier and the Liberal party were condemned in all the moods and tenses, all kinds of misrepresentations were indulged in and every endeavour was made to incite the people of the province of Quebec. They were told their sons would be taken from them by the machinations of Laurier and the British Government, and the children of Quebec would be drafted upon British ships of war and slaughtered in the wars of the Empire. The Conservatives were looking on, they put up no straight Conservative candidate in that election, but their sympathies were going out to the Nationalists, they were encouraging by every means in their power the Nationalist propaganda, and when a Monreal paper, just before the election, wired the Hon. Mr. Foster, the present Minister of Trade and Commerce, as to how the Conservatives should vote in that election in view of the campaign that was being waged, and the fact that the naval question was then under consideration and was the chief subject of discussion, his answer was:

Defeat Laurier by all means.

The British Empire might then go to Hades, anything might happen, the first consideration was party politics, defeat Laurier by all means, throw overboard the resolution which he had assisted in drafting and passing in 1909, throw over the compact entered into with the Liberal party to leave the navy out of party politics and that we should be a united country in whatever might be done. That was all thrown overboard in order to defeat Laurier by any means, fair or foul. When the result was known this telegram was sent by the chief whip of the Conservative party, George Taylor, and let me say that as, you Mr. Speaker, are the voice of this House so is the chief whip of the Liberal party the voice of that party, and the chief whip of the Conservative party is the voice of that party perhaps to a greater extent even than the leader of the party. This is what the chief whip wired to Mr. Monk:

Accept heartiest congratulations on your great fight and success.

That was what happened, and the result of that election and that coalition is what has caused the Prime Minister to change his mind—that unholy alliance entered into for an unholy purpose. And do these gentlemen think that we are going to follow them in that direction? It may satisfy them; apparently it does satisfy them. I do not know whether or not they are now fully satisfied, I do not know whether they wish that they never had entered into that alliance, probably they do wish it, but the alliance is there and it has been cemented by taking the men who were prominent in that campaign and election into this Government and into the Conservative party. That alliance, in my judgment, will and should crush the political life out of the Conservative party.

These are my reasons for supporting the policy of the Liberal party at the present time and opposing the policy of the Government. I have already said that the speeches delivered on various occasions in this House and outside of it have convinced me that the Conservative party at the inception of this question stood upon solid ground and that nothing has happened since that should induce them to change their minds. It has been stated that an emergency has since arisen and in order to meet that emergency we should send an immediate contribution to the Mother Country. We have not been given any reasons for considering that an emergency of that nature exists; we have been given reasons, in fact, for believing that no such emergency exists. Only a few days ago, the Hon. Mr. Churchill, First Lord of the Admiralty, speaking at Dundee in the presence of the Prime Minister of Great Britain, made this statement, and I suppose he would naturally know what he was talking about, he would naturally have the first and best information upon this subject. He said as reported in the Daily News and Leader of January 31, 1913:

When I have an opportunity of addressing the House of Commons in March, if I should be called upon to do so on the naval estimates of the year, I am confident I shall be able to show that the navy is not only strong, but is getting stronger actually and relatively, and that there is no danger whatever to that great position we have acquired and which we have set ourselves resolutely to maintain from being diminished or undermined by the progress of time, or by the changes in naval science.

Could anything be stronger than that; could anything be more to the point? Do we want any further proof that the Admir-

alty are in a position to fully safeguard the interests of the Empire, in the North sea, or in any other place at the present time? This policy of the Government, if adopted, disguise it as you may, is going to be the permanent policy of this country, because, Mr. Speaker, there can be only two policies, either contribution, or a Canadian navy. A few days ago when the Prime Minister introduced the resolution into this House, he made the statement that for the next twenty-five or fifty years, we could not have a Canadian navy, and surely for the next twenty-five or fifty years we are going to do something more than give this contribution at present proposed, if it is given. That is the surest possible proof that, in the mind of the present Prime Minister, and in the mind of his Government, whatever we do during the next twenty-five or thirty years must be along the line of contribution. And yet, only a few years ago, the Prime Minister of this country declared that that would conduce to the separation of Canada from the Mother Land, if anything could bring about separation.

Speaking upon this question yesterday, the hon. member for East Hastings (Mr. Northrup) made the statement that the people of Canada owe Great Britain an enormous debt of gratitude, which can only be discharged by a large sum of money. I have seen similar statements in the newspapers of this country, and a similar idea has been hinted at by other members, though not so strongly advanced as by the hon. member for East Hastings. Well, Sir, I do not subscribe to that statement or idea and I will give my reasons for not doing so. During the seventeenth, elghteenth and nineteenth centuries Great Britain obtained by discovery, colonization, and conquest, possessions in every part of the habitable globe. What was her object in obtaining these possessions? Her object was to extend her power and her trade, and these two objects have been abundantly realized. The overseas possessions that Great Britain has have been the greatest investment she ever made. She has no greater asset today, and has had no greater asset in the past, than the possessions overseas. If that be true, then where does the debt come in?

Let us examine this question a little more closely so far as Canada is concerned. During the eighteenth century, Great Britain and France were engaged in a titantic struggle for the mastery of North America. That struggle was ended on the Plains of Abraham in 1759, and by the result, Great Britain became possessed of the northern half of America, she having at that time the southern half. In addition she got 60,000 or 70,000 French-speaking people as her subjects. Have these people performed their duty as Canadian citizens and as British subjects from that time to this? Let history give the answer. They have increased and multiplied, they have cleared and cultivated their fields, they have built their towns and cities, they have opened their harbours, they have traded with Great Britain, the chief object she had in view in the great conquest; they have paid their debts. When confronted by the stern realities of war, and inducements were held out to them to join the Americans in the American revolution, they were true to their allegiance, and when they had to take up arms to defend their country in the war of 1812, they showed that they were worthy of the race from which they sprang in defence of the British Empire and the British flag. In what respect have those people not discharged their duty as Canadian citizens and British subjects, and where, so far as they are concerned, is there any great obligation? So far as Ontario is concerned, that province was largely peopled with emigrants from the British Islands and with United Empire Loyalists, men who gave up their homes and their property, and everything that is usually held dear, rather than foreswear their allegiance or give up the Sovereign whom they looked upon as their lawful King. They braved all the hardships of pioneer life in a new country. They too have performed their duty surely; they too have cleared and cultivated the land, built their towns and cities, opened their harbours; they have traded with the Old Country and when called upon to defend Canada in the war of 1812 to 1814, during the first campaign at all events, almost alone and unaided, they hurled back the American invaders from Canadian soil and sealed their fidelity with their blood. Have these people not performed their duties? Where is the duty that they owe? In what way were their services rewarded? At that time the old Tory party in Great Britain and the Tory party in Canada were under the impression that Canadians were not fit for the highest duties of citizenship, that they were not qualified to govern themselves, and so a number of impecunious lordlings were sent out from the Old Country to fill the public offices and positions of emolument. They looked down with scorn and disdain upon the ordinary people of the country, the people who paid the bills, and we were governed from Downing Street; and when the people asked for the British privilege of governing themselves, for Home Rule, it was denied to them; their petitions were turned down, their remonstrances were ignored, and civil war ensued before the British Government gave the Canadian people, the people of Upper and Lower Canada, the ordinary privileges of citizenship. The American revolution

taught Great Britain how to govern the colonies. It was in that way that the people of Upper and Lower Canada obtained the ordinary rights of citizens. I am afraid that the debt, if there be a debt, is on the other side of the ledger. But, in a matter of this kind as between Great Britain and Canada, we are brothers in the same family, we are subjects of the same country and there should be no talk of a debt on one side or the other. If we do our duty as citizens of Canada and as British subjects in this part of the Empire, we do our whole duty, in my opinion, and there is no debt upon either side.

The conditions that prevailed in Upper and Lower Canada also prevailed in the maritime provinces. The maritime provinces were largely peopled by immigrants from the British islands, by some United Empire Loyalists and by some descendants of France. They were denied the ordinary rights of citizens. It was only after long years of agitation that anything like the privileges we now enjoy were obtained. That was the condition in the maritime provinces generally, but in regard to Prince Edward Island we had all these difficulties to contend with and some additional ones that were peculiarly our own. That province was almost entirely peopled by immigrants from Scotland and Ireland and a few from England, men who had been driven out of the Old Country by the cruel, oppressive and tyrannical landlord system that prevailed at that time and still prevails to some extent. They came to America with very little except their stout hearts and strong arms and their desire to have a home which they could call their own in some part of the world. But the landlord system from which they were obliged to flee followed them to the new country because the Crown of Great Britain was generous enough to give to a few men in England in one day the entire proprietary rights of the province. When the immigrants who had come out had cleared their holdings and built their modest homes and when, for some reason or other through a failure of crops or sickness they were unable to pay their rent, the sheriff came and evicted them, put them out on the roadside and they had to depend upon the charity of their neighbours. That went on for years. At length we got responsible government. Then we began to send petitions to the Old Country praying for the privilege of buying the land from the people, who had never seen it, who hardly knew what part of the world it was in and who had not spent one penny to improve it. These petitions were turned down as fast as they were sent. Delegation after delegation went to the foot of the Throne to see if any redress could be obtained. The delegations were not heard. Act after Act was passed by the local Legislature in the effort to compel the landlords to sell out for some reasonable and equitable consideration, but these Acts were vetoed and it was not until we entered Confederation when the assistance of the Dominion Government was obtained that the people of Prince Edward Island were allowed the privilege of buying out the land they had made valuable by improvement. Thus they came to own their own holdings. They surely have been under no extraordinary debt of gratitude to the Mother Country, the Crown and the ruling classes of Great Britain. Under all these circumstances the people of Canada recognized that the Crown of Great Britain was not so much at fault as the advisors of the Crown. The old Tory party in Great Britain, as in Canada, seemed to be under the impression that the ordinary people of the country were not qualified for the higher duties of citizenship just as they say now we are not qualified for the first duty of citizenship, the duty of defending ourselves.

Look at this question as you may, take it in all its bearings, can any man who judges it dispassionately and apart from party prejudice, honestly make up his mind to support the proposition that the Government now has before the House? Some few years ago, when the hon. member for Jacques Cartier (Mr. Monk) introduced a resolution saying that the people should be consulted before any policy of this kind should be adopted, every member on the Conservative side of the House voted for that resolution. They are now voting against a similar resolution. It appears strange. I do not know what has happened in the meantime except what I have already pointed out—the alliance that was made with the Nationalist party by which these gentlemen are controlled and bound. They are not free to follow their better instincts, to follow the policy which they advocated so strongly two or three years ago. They have had to change their attitude. But will the people approve of that change? We think not. Therefore, if the Government think they are right, if they think that the people are behind them, why not accept the amendment that has been moved by my hon. friend from Assiniboia (Mr. Turriff); why not give the people a chance to say what they think of this policy and then abide by the decision? The Liberals are willing to abide by it, the Liberals are willing to take the voice of the country upon it. It is the proper constitutional way of deciding this question since it has been thrown into the arena of party politics through no fault of the Liberal party. As has been pointed out by my hon. friend from South Wellington (Mr. Guthrie), it will only take three or four months to decide

the question in that way and in the meantime the British Empire will not go to pieces. There is no emergency in Great Britain. The emergency is on the Treasury benches. The emergency has been created on account of the alliance with the Nationalists of Quebec. It is for these reasons that I will vote against the Bill that is now before the House, and for the amendment, and I think I will be amply justified in doing so.

On motion of Mr. Thoburn, the debate was adjourned.

On motion of Mr. Borden, House adjourned at 11.09 p.m.

HOUSE OF COMMONS.

THURSDAY, February 20, 1913.

The SPEAKER took the Chair at Three o'clock.

PUBLIC ACCOUNTS COMMITTEE—Mr. R. C. MILLER AT BAR OF HOUSE.

Mr. MIDDLEBRO: I would move, seconded by Mr. Meighen:

That R. C. Miller, now in the custody of the Sergeant-at-Arms, be brought before the Bar of this House to answer questions which, on the 14th of February instant, he did refuse to answer on his examination before the Select Standing Committee on Public Accounts, and which he did also refuse to answer before the Bar of this House on Tuesday, the 18th instant.

Motion agreed to.

The Acting Sergeant-at-Arms: Mr. Speaker, the witness R. C. Miller, who has been in my custody since Tuesday, February 18, is now in attendance at the door of this Honourable House.

Mr. SPEAKER: Bring Mr. R. C. Miller in.

Mr. Miller came before the Bar.

Mr. MIDDLEBRO: I would move that the following question be put to Mr. R. C. Miller, who is at the Bar of this House:

To whom did you pay the sum of $41,026 for the purpose of securing contracts from the Government of the Dominion of Canada amounting to $117,000 or thereabouts, between the month of June, 1907, until you ceased to be president of the Diamond Light and Heating Company, Limited, in June, 1911, as alleged by you on your examination before the Select Standing Committee on Public Accounts on Friday, the 14th of February, 1913?

Mr. SPEAKER: I might say, before putting this motion, that, if it is desired to take the evidence of the witness under oath, I am not aware that he has yet been sworn.

Mr. MEIGHEN: I may say that it is not the custom in the House of Commons to swear the witness.

Motion agreed to.

Mr. Miller: Before making my statement, I would ask the privilege of having my counsel, Mr. A. E. Harvey, K.C., of Montreal, with me, and, after I have finished, that he be allowed to make a few remarks on my behalf, if it is so desired.

Mr. MIDDLEBRO: I move that the witness to be allowed to appear by counsel.

Motion agreed to.

Mr. A. E. Harvey, K.C., then came and stood beside the witness.

Mr. Miller: Mr. Speaker, with your kind permission, I wish to entirely withdraw the statement that my counsel made at the time of my first appearance at this Bar, as apparently he did not quite understand the case, owing to the short time at his disposal for considering it. Part of that statement was that one of my reasons for declining to answer the question was that it would incriminate me. Now, Mr. Speaker, I wish to especially withdraw that statement, as I did not authorize my counsel to make it, as I was in absolutely no fear that anything I have done would incriminate me in any manner or form. The main reason that I wished to have had given was that owing to litigation now pending, which arose out of this matter, I deemed it inadvisable to make the facts known, as it might influence the results of those cases. I wish to explain that my action in declining to answer was not because I wished to defy this hon. House. Far be it from that, as there is not a man in Canada who has more respect for the recognized governing bodies of our country, and especially this hon. House which represents the people. But when I know that I have done nothing that in any way affects the public of Canada, notwithstanding any opinions to the contrary, and when I also know that a few self-constituted enemies clandestinely so worked that they became the directors of the company of which I was the president for so many years, and of which I at present time own about one-third of the outstanding stock, and for the purpose, not of getting an accounting from me, but, in my humble opinion, for the ulterior purpose, by taking advantage of technicalities, of extorting money from me to divide among themselves. Under these circumstances—

Mr. MEIGHEN: Mr. Speaker, I rise to a point of order.

Some hon. MEMBERS: Order.

Mr. MEIGHEN: I take objection, and ask that you interrupt the witness on the

ground that his answer is utterly irrelevant. He must answer the question directly or not at all.

Mr. SPEAKER: The question the witness is required to answer is:

To whom did you pay the sum of $41,026 for the purpose of securing contracts from the Government of the Dominion of Canada amounting to $117,000 or thereabouts, between the month of June, 1907, until you ceased to be president of the Diamond Light and Heating Company, Limited, in June, 1911, as alleged by you on your examination before the Select Standing Committee on Public Accounts on Friday, the 14th of February, 1913.

That is the question that is put by command of the House to the witness.

Mr. Miller: I was leading up to that.

Sir WILFRID LAURIER: Hear, hear.

Mr. SPEAKER: I do not think it is permissible to go into a history of the transaction in order to answer the question, but I am in the judgment of the House in what I say. In my opinion, it is not permissible to take up, and go into the history of the whole transaction.

Mr. PUGSLEY: I think there was a motion unanimously passed by the House that the witness should be allowed to make a statement, and it seems to me that it would be very unreasonable that this august court should refuse to the person who is before the bar the opportunity of making a statement.

Mr. BORDEN: I was not aware that the motion has passed the House in the terms stated by my hon. friend. I was under the impression that the motion which passed the House was that a certain question should be administered to the witness.

Mr. MURPHY: There was another motion.

Mr. BORDEN: I understood that the subsequent motion was in reference to the application of the witness that he be allowed to be represented by counsel.

Mr. MURPHY: And make a statement.

Mr. CARVELL: And have a statement made by his counsel.

Mr. BORDEN: And that his counsel might be permitted to make some observations if he thought necessary. I should think that the proper course, consistent with the practice of Parliament and correct procedure on such occasions, would be this: that if the witness desires or is willing to answer the question, he should answer it; if he is not willing to answer the question he should say so, and he might be permitted, I would think, in that case, to give any reason for his declining or refusing to answer. The first thing the House should know, in view of the motion that has been passed, is whether or not the witness does propose to answer the question.

Mr. SPEAKER: My understanding was that the instruction of the House was to the effect that the witness should be allowed to consult his counsel, who, I understood, was to make a statement on his behalf after consultation.

Sir WILFRID LAURIER: If I may correct your memory, the prisoner at Bar said that he wanted to make a statement. First of all he wanted to have his counsel, Mr. Harvey; then, to make a statement, and, after that, that Mr. Harvey should make a few remarks. If, in the judgment of the House, the witness does not answer the question, it will be for the House to take such action as it chooses; but certainly the man should be allowed to make his statement in his own way.

Mr. MIDDLEBRO: My motion was that the witness be allowed to appear by counsel, and that gave the counsel no broader rights than the witness. The question before the House is whether or not the witness will answer the question. He must say whether he will or will not, and then his counsel or he can give reasons for his not doing so.

Mr. MACLEAN (Halifax): The true position of affairs is that up to the moment the question has not been put to the witness.

Some hon. MEMBERS: Yes, it has.

Mr. MACLEAN: Not to-day.

Mr. SPEAKER: I read the question to the witness after he came to the Bar of the House.

Mr. MACLEAN (Halifax): That being correct, then, the witness asked of the House permission to make a statement. A motion was duly and formally made to that effect by the hon. member for Portage la Prairie (Mr. Meighen).

An hon. MEMBER: No.

Mr. MACLEAN: I beg the hon. gentleman's pardon. That he be allowed to make a statement. He had included other requests of course. That motion having been put to the House and carried, the witnesss surely is entitled to make a statement; and then if, in the judgment of the House, the question has not been answered directly, the House can again put the question to the witness. If there is any doubt as to the purport of the motion which was made, I suggest that you ask of the reporter of the House what that motion was, so that any dispute can be settled here and now.

Mr. SPEAKER: As the motion was not handed to me in writing, I took it as correctly as my judgment enabled me to do, and put it to the House. The motion which I put to the House was to the effect that he might first have an opportunity of consulting his counsel, and then that the counsel be allowed to make a statement in his behalf.

An hon. MEMBER: No.

Mr. SPEAKER: As I can be the only person who would understand what I put and intended to put, I assume that my authority ought to prevail in that regard. If the motion is presented to me in writing, I shall put it in whatever shape the House desires me to put it.

Mr. MACLEAN (Halifax): Perhaps the Minister of Justice would enlighten us upon this question, and would inform the House what was the question actually put to the witness.

Mr. SPEAKER: I think it is not the right of the Minister of Justice or any other hon. member to interpret what the Speaker put from the Chair. I think the Speaker is the only one who could properly interpret that.

Mr. MACLEAN (Halifax): I doubt that very much.

Sir WILFRID LAURIER: Do I understand your honour to rule that the witness is not allowed to make his answer in his own way?

Mr. SPEAKER: Not at all.

Sir WILFRID LAURIER: Then, let him go on.

Mr. SPEAKER: I am ruling with regard to the motion I put to the House. I have nothing to do with whether or not he should be allowed to make his answer. That is for the House to say, not me.

Mr. GRAHAM: I think perhaps there is a little misunderstanding on your part, Mr. Speaker. Mr. Miller made a request that he be allowed to make a statement, or rather, first, that he be represented by counsel, and then that he be allowed to make a statement, or, failing that, that his counsel should be allowed to address a few words to the House. The hon. member for North Grey had no written motion, but he rose and made a motion which we all took to mean acquiescence in the request of Mr. Miller, and we all so voted.

Mr. BORDEN: I must confess that I for one did not understand it in the way my hon. friend suggests. The request of the witness, as I understood it, was that he be allowed to make a statement, and that his counsel be allowed to add some remarks. Then I understood my hon. friend from North Grey to move that the witness be allowed to appear by counsel, and his honour the Speaker put the motion in the way he has now stated. The misunderstanding, if any, has arisen from the fact that the motion was not in writing. But my hon. friend from North Grey did not, in my hearing, make a motion that the witness should be permitted to make a statement and that his counsel should be allowed to add some remarks. It is perfectly true that the witness did make that request. I desire to give the witness every possible fair play, but I think the proper procedure in a case of this kind is for the witness to state first whether or not he will answer the question. If he does answer the question, there is nothing more about it; no statement is required. If he refuses to answer the question, it is perfectly proper, and only fair, for the House to hear the reasons which he or his counsel may see fit to put forward on his behalf for so refusing. I do not think, however, that it would be proper for him to go into a long story of conspiracy on the part of other people against him, or into any matters that are not relevant to anything before the House. But, within the proper bounds, I hardly think we can refuse to listen. Afterwards we can consider the reasons for the refusal.

Sir WILFRID LAURIER: I understood that he was proceeding to give his reasons why he was going to refuse. From my interpretation of what he said, I thought it led to that.

Mr. BORDEN: I was unable to understand what it led to.

Mr. MACLEAN (Halifax): Mr. Speaker—

Some hon. MEMBERS: Order, order.

Mr. SPEAKER: There is no motion before the House at present. One was put some time ago and carried. I have a written question which the House has ordered to be put to the witness, and I will send it to his counsel.

The question was handed to Mr. Miller's counsel.

Mr. Miller: I am not prepared at the moment to answer that question, and I would like to give some reasons for not doing so, if I may be so allowed.

Some hon. MEMBERS: Hear, hear. Go on.

Mr. MIDDLEBRO: Mr. Speaker——

Mr. MACLEAN (Halifax): Is the hon. member for North Grey to determine whether the witness is to have the privilege of speaking?

Some hon. MEMBERS: Order; hear, hear.

Mr. MACLEAN (Halifax): I say, Mr. Speaker,——

Mr. SPEAKER: Order.

Mr. BORDEN: Mr. Speaker, I would move that the witness be allowed to state his reasons, but I would suggest to you that he should be cautioned in doing so to keep within proper limits, and not to make this an occasion for attacking persons who are not before the House to defend themselves.

Some hon. MEMBERS: Hear, hear.

Mr. SPEAKER: I understood that the hon. member for North Grey rose to make that motion.

Some hon. MEMBERS: No, no.

Mr. MIDDLEBRO: My hon. friend from Halifax (Mr. Maclean) was just a little soon. I was on my feet to make the motion that he be allowed to give his explanation.

Mr. MACLEAN (Halifax): Mr. Speaker——

Some hon. MEMBERS: Order; sit down.

Mr. SPEAKER: The motion has not been put to the House.

Mr. MACLEAN (Halifax): I rise, Mr. Speaker——

Some hon. MEMBERS: Order, order.

Mr. MACLEAN (Halifax): I rise for the purpose of seconding the motion made by the Prime Minister.

Mr. SPEAKER: It is moved by Mr. Borden, seconded by Mr. Maclean (Halifax), that the witness be allowed to give his reasons for refusing to answer the question put, and that he keep within reasonable bounds with regard to the importation of irrelevant matter into his explanation.

Motion agreed to.

Mr. Miller: There was only one course for me to pursue, and that was for me to make an honourable fight against any intrigue. I have followed that course so far without fear or favour, and this is the first time that I have made any public reference to this case. I would not, I can assure you, make any reference at the present time if this unenviable publicity had not been thrust upon me. It is not with a desire to defy this honourable House or any other governing body that I have acted in the way I have. I would like to have been able to have given the reasons for my action, and in my own way, because on the surface it may look as if I were protecting myself against possibly being incriminated, and it might also be suspected that I am taking this line of action in order to protect some person or persons connected with the administration of the Government of the Dominion of Canada. Now, as to that, I have already stated under oath that I never paid any money to any member of the Senate, or to any member of the House of Commons, or to any official of the Government; and I now state that I never gave any remuneration of any kind whatsoever to any member of the Senate, or of the House of Commons, or to any person in the employ of either the Senate or the House of Commons, either directly or indirectly. It might also appear at first sight that my action is based on stubbornness on my part, or a wish to defy the different powers. But I can assure you that such is not the case. Now, Mr. Speaker, I have tried here, as far as lies in my humble power, to make my reasons plain for declining to give to this House the desired information, and, as I claim to be an honourable man, I cannot conscientiously follow any other course than that which I have been doing. I feel satisfied that every hon. member of this House, if placed in the same position and in the same circumstances that I have been and am now placed in, would follow the same course. I therefore place myself in the hands of this honourable House, feeling that I will get fair play, and I beg of the House that it be magnanimous enough to accept my explanation, withdraw the question and discharge me from its custody.

Mr. Harvey: Mr. Speaker, shall I be allowed to supplement the remarks made by my client?

Mr. MIDDLEBRO: I beg to move that counsel be permitted to supplement the statement made by the witness.

Motion agreed to.

Mr. Harvey: Mr. Speaker and hon. gentlemen, I appreciate the indulgence you have given to my client, Mr. Miller, and I ask the privilege of speaking very briefly. I wish, in the first place, to call the attention of the House to the fact that the question as it is put has a tendency to put into Mr. Miller's mouth words that he never uttered at all. What Mr. Miller did state before the committee, and what he stated in court, was that during the four or five years that these transactions with the Diamond Light and Heating Company were going on, he had paid the sum of $41,026 in connection with getting business for the company. If you look at this question as it is put, it would appear to give out that Mr. Miller had stated something different from that. It covered all the business that he was able to get for the company during these four, five or six years. It would be unfair to allow that question to be put and to be answered in that form,

because it is not correct and does not represent what Mr. Miller said.

I desire to refer to the cases which are going on as a result of the difficulty between the Diamond Light and Heating Company and Mr. Miller, its former president and manager. Mr. Miller was deposed very suddenly from his position, and is at the disadvantage of having no direct communication with the papers, books, and all the paraphernalia in the office, and has found this to be a cause of difficulty to him. As his counsel I know what these difficulties have been. There are three cases pending. Two of these cases have not yet reached the enquete stage, as we call it in Montreal, that is, they have not reached the evidence stage, and the evidence has yet to be given. That is the position, and I think it quite probable that other cases will result from these same transactions. I am well aware of the fact that evidence given by Mr. Miller before the Public Accounts Committee, or before this House, cannot be used as evidence before the courts; but you will not deny that impressions, no matter how received, and working in the mind in a way that we cannot account for, before judgments are given, may, and very probably will, be prejudicial to Mr. Miller, or perhaps to the other side of the case if these matters are gone into as fully as the House is asking Mr. Miller to go into them at this moment and before the judgments are given. We are all human; judges are human; you, gentlemen of the House of Commons, are human, Mr. Miller and myself are human, and we are liable to err and to form impressions which are going to influence our judgment. Although we have the greatest respect for the judges in Montreal, and know their integrity in every way, we say that the very fact of things coming out before these cases are settled will probably have an influence, unconsciously and unwittingly, upon the judgment to be rendered. Would it be fair under these circumstances for this House, just at this time, to order this question, or any other similar question, to be answered, and make Mr. Miller do what he would not do in any court of justice; that is, appear as a witness against himself and answer questions against himself which are going to have an effect on these cases? It seems to me that this House will not go so far, but that it will show some indulgence to my client, at least until these cases are decided. It will not be very long before they are decided, and if this House still thinks that it is in the interest of the country and of Parliament that Mr. Miller appear before it again, it always has the privilege of summoning him to the Bar. In the meantime, it would be conscious of having done simple justice to Mr. Miller in allowing this matter to rest until he can fight these fights that are going on in Montreal, in the cases that I have mentioned and other cases which are liable to come out of the same transactions.

I might refer to one incident before asking anything upon this point, and it is this: We were before the Public Accounts Committee on Friday last. We went away understanding that there would be no meeting on Tuesday. Having heard nothing as to whether we would be actually required or not, at five o'clock on Monday afternoon I took the trouble, by long distance telephone from my office in Montreal, to telephone to the Chairman of the Public Accounts Committee, and ask him if Mr. Miller would be required here, or in the Public Accounts Committee, the following day, and, when assured that we would be required, both Mr. Miller and myself, through the telephone, told the committee that we would be here, and we prepared to come. That shows the good faith of Mr. Miller. Mr. Miller wants to do what this House wants him to do, providing we are not put in a prejudiced position with regard to the litigation with which we are now struggling in the city of Montreal. I would ask under these circumstances that this question against Mr. Miller be not pressed at the present time, that he be allowed to be discharged by the House until at least this litigation can be settled and until the judgments are delivered; and then, if the House still wants to bring him up again, I am sure that Mr. Miller would be willing to come at any time. I ask as a privilege that the House be generous on this occasion and grant this request. I thank you, Mr. Speaker and hon. gentlemen.

Mr. MIDDLEBORO: I have only a few words to say with respect to this matter. Perhaps I had better move first:

That the witness retire while the House is considering the matter.

Mr. MACLEAN (Halifax): I would like to inquire now if the statements made by the witness and his counsel are open for discussion. I would like to know if every hon. member except the hon. member for North Grey is precluded from discussing this matter.

Mr. SPEAKER: I would suggest that the proper course would be to make a motion that the witness retire until the House considers the matter.

Mr. MIDDLEBRO: I have already made that motion.

Mr. SPEAKER: The hon. member for North Grey (Mr. Middlebro), moved that

the witness retire until the House considers the matter before it.

Mr. PUGSLEY: On that motion, it seems to me that before it is carried the House should consider the statement which has been made by Mr. Harvey, which raises a direct issue between him and the hon. member who has made the motion for the taking of these proceedings. The motion before the House made by the hon. member for North Grey was that the witness should be asked to whom he paid the sum of $41,-026 in order to secure business from the Government amounting to $117,000, as, so the question states, alleged by the witness before the Committee on Public Accounts. Mr. Harvey, who is a King's counsel, upon his responsibility as counsel for Mr. Miller, makes the statement that Mr. Miller did not swear to anything of the kind, but that what he stated was that during a period of some five years he had paid out the sum of $41,026 to get business for the company.

Mr. MEIGHEN: I rise to a point of order. The witness must retire before anything stated by him or by his counsel is subject to discussion in this House. I quote Bourinot, at page 166, and also refer to a case in the Canadian Parliament in 1874. Bourinot stated:

When the evidence of a witness is concluded for the time being, he will be ordered to withdraw and remain in further attendance if required.

That means that immediately after he gives his evidence he must withdraw.

Mr. PUGSLEY: That is a matter entirely for the House. Nobody can order the witness to retire except this House. What I am arguing is that this House ought not to order the witness to retire——

Mr. CURRIE: I rise to a point of order. In a case of this kind I think the prisoner is in your custody, Mr. Speaker, and that you can order him to retire if you so desire.

Mr. PUGSLEY: That is not a point of order. At present I am speaking to the motion which has been made by the hon. member for North Grey. That is the motion which is now before the House. I am arguing——

Some hon. MEMBERS: Order, order.

Mr. MEIGHEN: I ask for a ruling on the point of order?

Mr. PUGSLEY: My reason for stating that the motion ought not to be adopted is—

Mr. SPEAKER: Order. The hon. member is not speaking to the point of order raised, but is speaking to the original motion. The question undecided before the House is the point of order. I thought the hon. member was rising to argue the point of order.

Mr. SPEAKER.

Mr. PUGSLEY: Mr. Speaker, the point of order is not well taken. The hon. member for North Grey has made a motion that this House should order Mr. Miller to retire. I have a perfect right to present reasons why that motion should not be adopted by the House. When the hon. gentleman says that I have no right to present those reasons, he is stating a point of order which is not well taken.

Mr. SPEAKER: I think it is in the hands of the House to order that the witness retire, when it agrees to the motion made to that effect.

Mr. PUGSLEY: After the heated and unwarranted interruptions which have been made by hon. members opposite, and which have had the effect of delaying the argument which I wish now to proceed with as quickly as possible, what I submit is this: We are engaged in the consideration of a question of very great importance as affecting the liberty of the subject. The day before yesterday we were induced to railroad through a motion, contrary to rule 40 of the House, which requires two days' notice of any resolution. We were induced to do what I have never known any court of justice in the country to do, namely, not to give a witness the opportunity to present his reasons why he should not answer the question, and that without giving the members of the House full opportunity to consider what was the proper course to pursue. I am satisfied that the witness has been illegally under arrest for two days; he has been improperly arrested by this House, and that because the hon. member who made the motion had not given to this important question that full consideration which ought to have been given to it. Let us not make the same mistake to-day. As I have said, counsel for Mr. Miller has made a most important statement—in effect, that the action which this House took the day before yesterday was based on an erroneous statement made by the hon. member for North Grey as to what the witness had said.

Some hon. MEMBERS: Order.

Mr. PUGSLEY: Will hon. gentlemen keep quiet for a moment?

Some hon. MEMBERS: Order.

Mr. PUGSLEY: If the hon. gentlemen will have somebody rise to voice the point of order——

Mr. BORDEN: Is not my hon. friend really discussing the statement made by the witness, rather than the question as to whether or not he should retire?

Mr. PUGSLEY: No.

Mr. BORDEN: I would submit to my hon. friend that the proper and usual course to pursue is that, after the witness has made his statement, and after his counsel has

said on his behalf everything that he may desire to say, the witness is directed to retire, and, if he is in custody, of course, to remain in custody. Then the House proceeds to consider the statements which it has heard. That is the course which I have always understood has been pursued, and it seems to me it would be a proper and decorous course to pursue in this case.

Mr. PUGSLEY: What I think differentiates this procedure from former procedures, is that there is a direct issue here between the witness through his counsel, Mr. Harvey, and the hon. member for North Grey. I take it for granted that on that statement, the hon. member for North Grey will feel it to be his duty to make a statement in this House in reference to the statement made by the counsel for Mr. Miller. I would ask the right hon. gentleman if it is not reasonable that Mr. Miller and his counsel should be allowed to remain in order to hear what explanation the hon. member for North Grey will give as to the statement made by Mr. Harvey. That is the reason which I present to the House why the witness and Mr. Harvey should be allowed to remain until that point at all events has been discussed by the hon. member for North Grey and probably by other members of the House.

Mr. MIDDLEBRO: I think I would be out of order if I started to discuss the question. The motion before the House is that the witness do now withdraw. In the Connolly case, after the witness had made his statement, and after the statement of counsel, a motion was made that the witness do withdraw, and he did withdraw without any discussion.

Mr. MURPHY: Did any such question of veracity arise on that occasion as has arisen on this?

Mr. SPEAKER: It seems to me that is a little wide of the mark for consideration here, especially in view of the fact that it does not depend on the hon. member, whether the statement is correct or not. It is based on the evidence word for word before the Public Accounts Committee, which the witness, I assume would be allowed to read or hear read and to sign before it would become a matter of record in the custody of that committee. I do not think it is quite in point to discuss that question on the motion whether the witness withdraw till the House considers the other question.

Mr. PUGSLEY: I move in amendment, seconded by Mr. Lemieux:

That Mr. Miller and his counsel be allowed to remain at the Bar of this House until the hon. member for North Grey has had an opportunity of informing the House as to whether the statement made by Mr. Harvey that Mr. Miller had not given before the Committee on Public Accounts the evidence which the question put to the witness by Mr. Speaker alleges he gave, is correct.

Mr. MEIGHEN: I submit that the amendment is not an amendment, but a direct negative, and out of order.

Mr. SPEAKER: Having regard to strict procedure, it must be noted that May lays it down that a direct negative to a motion is not an amendment, though it may be covered up by verbiage—

Some hon. MEMBERS: Oh, oh.

Mr. SPEAKER: Guided by that, I rule that this amendment is out of order.

Mr. PUGSLEY: Mr. Speaker—

Mr. SPEAKER: I would remind the hon. member that it is not permissible to debate a ruling of the Chair. He can only appeal to the House from the ruling.

Mr. PUGSLEY: I should hope it would not be necessary to appeal to the House—

Some hon. MEMBERS: Order.

Mr. PUGSLEY: One moment. You agree with me, Mr. Speaker, that you gave your ruling without—

Some hon. MEMBERS: Order.

Mr. SPEAKER: The rule must be strictly carried out, and if there is an appeal, it must be to the House.

Mr. PUGSLEY: Then, I desire to appeal to this House. Now, before the question is put to the House I desire—

Some hon. MEMBERS: Order.

Mr. SPEAKER: The motion cannot be debated.

Motion (Mr. Pugsley), to appeal to the House, negatived.

Mr. MIDDLEBRO: I have a motion to present, but before doing so, I would like to say a few words with regard to the remarks made by the hon. member for St. John (Mr. Pugsley). I am sure my hon. friend did not appreciate the position he was taking when he placed the word of a man at the Bar of this House against that of an hon. member of the House. If the hon. member for St. John had taken the trouble to look up 'Hansard,' he would have found that I placed upon 'Hansard' every word of the evidence upon which I proposed the motion in this House. The evidence given by Mr. R. C. Miller before the Public Accounts Committee was to the effect that during the years from 1907 to 1911, the whole business of that company, outside of the business they did with the Dominion Government, was about $2,000. So when the question was fairly and squarely put to that witness in the Public Accounts Committee: 'What did

you do with the forty-one thousand odd dollars you swore that you spent for the purpose of securing these government contracts?' I contend it was a fair question. It is most unpleasant for me to do what I am doing to-day; and I want to say that this matter should be the concern of every hon. member of this House. It is in no sense a government matter; it is a matter of upholding the dignity of the first court in the first colony of the British Empire. The witness was subpoenaed last year to appear before the Public Accounts Committee, and the matter arose in this way. As chairman of the Public Accounts Committee, my attention was called to the fact that a man had sworn—I did not know the man—that he had paid out this sum of money for the purpose of securing certain government contracts.

Sir WILFRID LAURIER: Is my hon. friend speaking to any motion?

Mr. MIDDLEBRO: I have a motion here, but I was offering an explanation to the hon. member for St. John.

Sir WILFRID LAURIER: We should have the motion first.

Mr. MIDDLEBRO: It is a question of privilege, if nothing else; but, if my right hon. friend insists, I will submit the motion, and speak upon it.

Sir WILFRID LAURIER: We must know what my hon. friend is speaking about.

Mr. MIDDLEBRO: I am speaking to that motion which I am going to make.

Some hon. MEMBERS: Motion.

Mr. MIDDLEBRO: The counsel at the Bar said——

Some hon. MEMBERS: Order; motion.

Mr. SPEAKER: Will the hon. member send down the motion?

Mr. MIDDLEBRO moved, seconded by Mr. Meighen:

That this House, having considered the statements made by R. C. Miller and his counsel, at the Bar of this House, on the 18th and 20th days of February instant, hereby declares such statements to be no answer to the question put to him by Mr. Speaker on said dates, and that his refusal to answer said question constitutes a breach of the privileges of Parliament, and renders the said R. C. Miller guilty of contempt of this House, and this House doth order and adjudge that the said R. C. Miller be forthwith, by the Sergeant-at-Arms, committed to and imprisoned in the common jail of the county of Carleton, situated in the city of Ottawa, in the province of Ontario, until the prorogation of this House, or until sooner released therefrom by the order of this House; and the keeper or other officer in charge of the said jail is hereby authorized to receive the said R. C. Miller into his custody accordingly, and that Mr. Speaker do forthwith issue his warrant therefor accordingly.

Mr. MIDDLEBRO: I was saying, Mr. Speaker, that this witness was subpoenaed a year ago, to answer the very same question as that put to him this afternoon.

Mr. PUGSLEY: I rise to a point of order. I submit that this motion cannot be considered by the House unless two days notice is given of it. I think it is proper that the rules of the House should be observed, especially as this is an exceedingly important matter, affecting the liberty of the subject. I will refer your Honour to rule 40.

Mr. SPEAKER: I have no objection to the hon. member reading the rule, but I am distinctly of the opinion that the motion is strictly in order. The examination of a witness, in my judgment justifies any member of the House in arising, without any notice, and moving a resolution based upon such examination.

Mr. PUGSLEY: I submit that I am in the unfortunate position of having a ruling made against me before the court has heard the argument.

Mr. SPEAKER: I think the hon. member can scarcely be so considered, especially in view of the fact that I stated that he could read the rule, and I thought he had waived his right to do so.

Mr. PUGSLEY: I arose to take a point of order, and said I would like to call Your Honour's attention to rule 40; but, without hearing me, Your Honour proceeded to pronounce judgment.

Some hon. MEMBERS: Order.

Mr. PUGSLEY: Every member of this House——

Some hon. MEMBERS: Order.

Mr. SPEAKER: I understand the hon member to say: 'If it is necessary, I will read the rule.' I said: 'The hon. member may read it if he desires,' but I thought he had waived the right.

Mr. PUGSLEY: I certainly did not intend to waive the right, and I am surprised that Your Honour should give judgment without giving me an opportunity of stating my case. With all due deference and consideration for Your Honour, I submit that we all have a right to be heard.

Mr. SPEAKER: The hon. gentleman has not yet read the rule.

Mr. PUGSLEY: This is the rule:

Two days' notice shall be given of a motion for leave to present a bill, resolution or address, for the appointment of any com-

mittee, or for the putting of a question; 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. Such notice shall be laid on the table before five o'clock p.m., and be printed in the Votes and Proceedings of that day.

Now, this is a resolution. Rule 41 states:

A motion may be made by unanimous consent of the House, without previous notice.

Of course, that does not apply, because there has not been unanimous consent. I contend that rule 40 does apply.

Some hon. MEMBERS: Order.

Mr. PUGSLEY: Why do hon. members call 'order'? I am arguing a point of order, and contending that there should be two days' notice of this motion. What is it that is proposed to be done? The witness is in the custody of the Sergeant-at-Arms. The privileges of this House are not in peril or in jeopardy. There is no reason for immediate action, or for violating the rules of the House requiring two days' notice of such a motion— a rule made for the protection of the minority, and of those people whose interests may be under consideration by this House. Without the slightest notice, without giving to the witness and his counsel an opportunity of presenting arguments to the House, by petition or otherwise, my hon. friend, in violation of the spirit of the rules of this House —nay, in violation of the actual letter of rule 40—is proposing to make this important motion, to call upon this House to come to a conclusion with regard to this matter without giving hon. members an opportunity of examining the evidence or looking into the statement made by counsel for Mr. Miller; without, as I have said, giving to hon. members an opportunity of determining whether or not it is just and proper that this motion should pass. Questions may properly arise upon which hon. members of this House would like to be informed—as to what are the powers of this House; whether it is in the power of the House to instruct the Sergeant-at-Arms as to the custody in which the witness shall be placed. That is a very important question. We are laying down a precedent for years to come. Surely, as I have said, this is not an occasion on which we should depart from both the letter and the spirit of rule 40 which has so long governed this House and which should govern except on extraordinary occasions when the unanimous consent of the House is asked.

Mr. MIDDLEBRO: In the cases of McGreevey and Connelly, the witness was brought before the Bar of the House just as in this case. His case was considered, and the very same day Sir John Thompson moved the order of the House following his retirement.

Mr. PUGSLEY: Was any point raised there?

Mr. BOYCE: I would also remind the House that precisely the same point of order was taken by the leader of the Opposition the day before yesterday when the gentleman appeared before the Bar of the House. My hon. friend took the obejction under this very same rule now before you that no motion could be made committing the prisoner at the bar to your custody or to the custody of the Sergeant-at-Arms without the previous two days' notice of the resolution under this rule and, very properly, you, Sir, ruled that the point of order was not well taken. Let me remind my right hon. friend and the member for St. John of a case in 1905, when a gentleman appeared at the Bar of the House during the time when my right hon. friend was in control of the Government. No objection of the kind was taken then. The whole transaction took place in two hours, and my right hon. friend himself moved a resolution by which the Speaker was empowered to dispose of the whole case, reprimand the gentleman at the Bar and discharge him from custody. It was never contended for an instant that under the rules of the House any notice should be given; and let me remind my hon. friend, than whom in reality no person is more familiar with the rules of the House, that he is trifling with a very serious matter indeed. The dignity of this House of Parliament is involved and to continually press objections by way of points of order which have been already disposed of by way of precedent—

Some hon. MEMBERS: Order.

Mr. SPEAKER: The hon. gentleman is travelling a little wide for argument on a point of order.

Sir WILFRID LAURIER: May I be allowed to correct the memory of my hon. friend. The other day a report of the Committee of Public Accounts was brought before the House. I raised the point whether or not this report should be taken into consideration without previous notice, and in answer to statements from the other side I stated that in my memory there had been numerous cases affirming one way and the other. Sometimes a report was taken without notice and on other occasions notice was required. In this particular case, if my memory serves me, there was a previous report on this matter made by the Chairman of the Public Accounts Committee. I called your attention to it, and it was postponed, for want of notice, to another day.

The books are full of similar questions, as to whether or not a report of a committee may be taken into consideration the day it is brought down; and I leave it to your judgment that in many cases it was decided that we could not and in other cases it was decided that we could. I had intended at some time asking a ruling on this point so as to have a permanent rule for our guidance. But the cases are not at all parallel. The case referred to is not at all like the present case.

Mr. BORDEN: It seems to me that the motion is quite in order as relating to privilege and as being a motion arising out of the proceeding already taken by the House. If the hon. member for St. John (Mr. Pugsley) were correct in his contention, it would necessarily follow that if a series of question were to be directed to a witness, every one of those questions must be determined by a motion of the House, and the House would have to adjourn for two or three days between each two questions so as to permit of the two days' notice. That is so manifest an absurdity that the hon. member for St. John would not contend that any such course should be followed. It seems to me that the motion is quite in order for the reason stated. The other consideration which the hon. gentleman put forward was not a question of order, but a question as to whether or not the House should forthwith deal with the question or postpone consideration till a future day. That is a question for the discretion of the House, but not a question of order.

Mr. SPEAKER: I think that the procedure in making this motion is strictly in order. It is a question of a breach of the privileges of this House, and rule 45 says:

> Whenever any matter of privilege arises, it shall be taken into consideration immediately.

And any motions or resolutions of the House in consequence of it are moved without any notice. From personal knowledge, because I happened to be in the House, I remember distinctly the procedure followed in the case when Mr. Dunn was brought to the Bar of the House. The questions were written out by Mr. Weldon, K.C., a member of the House, and each question was handed to the Speaker, put to the House, and, on being agreed to by the House, put to the prisoner at the Bar. No question was raised as to the necessity of any notice of motion before that was done. The same procedure exactly was followed in the McGreevy case. I happened to be in the House then, and I remember quite distinctly and have taken the trouble to look up the case since. In addition to that, I might cite several English precedents, exactly in harmony with this procedure, which justify it. Therefore, I think the point of order of my hon. friend is not well taken.

Mr. OLIVER: As one who is not in the legal profession, but is a plain, ordinary citizen of the country, I would say that it strikes me as something entirely out of the ordinary.

Some hon. MEMBERS: Order.

Mr. SPEAKER: Order. A question of order was raised on the propriety of this motion being considered in the House without two days' notice. That was on a question of order. My ruling was that the point of order was not well taken. The hon. member for North Grey has the floor.

Mr. MIDDLEBRO: When I was interrupted by the hon. member for St. John (Mr. Pugsley) I was proceeding to say something as to the good faith of the witness. A year ago when the matter was brought to my attention as Chairman of the Public Accounts Committee, the witness was subpoenaed to appear before that Committee. He was paid his witness fees and served in the usual way. He did not appear before that Committee in consequence of which I brought in a motion in this House that he appear before the Bar of the House. We were unable to serve him with that summons because he could not be located in Montreal and the consequence was that we were unable to get him before the Bar of the House last session. This session when he came before the Committee he was asked why he did not appear last year and he said he was sick. When he was asked why he did not send some notice, why he did not have the common courtesy to inform us he was indisposed, he gave no reason but simply said: I did not do it. That brings us to the present time. He is brought before the Committee, he is given every opportunity to make a statement as to the person to whom he paid the moneys for the purpose of securing these contracts. In the Committee he said he would not do so because it would interfere with his private affairs, because he had some law suits on and it would prejudice those law suits if he had to give his answers there. Being pressed by the hon. member for Portage la Prairie (Mr. Meighen), as to the status of those law suits he admitted that an action had been brought against him by this same company to make him account for that $41,000 to that company. He admitted that judgment had gone against him and the courts had adjudged that he should account for that $41,000. He admitted that the case had been appealed by him. The hon. member for Portage la Prairie pointed out

to him that as that case had been appealed any evidence he might give in that Committee, even if it were not privileged, could not affect the result of that case because the appeal would be heard on the evidence already given. It was further pointed out to him that even if the case were not in appeal, even if the evidence could be used, any evidence given by any witness before any Committee of this House or before this House was privileged. And there were penalties upon any persons daring to give to any court evidence which a witness had given to the House.

Mr. PUGSLEY: Would my hon. friend mention the statute?

Mr. MIDDLEBRO: The other day it was suggested in the Public Accounts Committee that another reason why the witness would not answer the question was that it might incriminate him. He came before the bar of this House and he stated. by his counsel, as one of the reasons why he would not answer the question that it might tend to incriminate him. We were perfectly justified in doing what we did, and he comes here to-day and says 'my answer would not incriminate me.' We come to the second question, and to the only defence he now makes namely, that it might interfere with his private affairs. I say here, as I said in the committee, and as I gave my ruling before the committee, that for a man to come before the Public Accounts Committee or any other committee of this House, or before the Bar of this House, and block enquiry as to the expenditure of public moneys by this Parliament, by simply saying that to make him answer would interfere with his private affairs—I say we might as well abolish all the committees of this House. He says that an action has been commenced in the civil courts. But remember it is not in the criminal court that this man is being sued; if he was up on a criminal charge there might be some reason why we should show some leniency towards him, but it is simply a civil suit, and this is the highest civil and criminal court in the land—He might as well go to one court and say, I won't give evidence here because I have another action in another civil court. That would be no answer. He is bound to tell the truth, and especially where it is not going to incriminate him. as he admits here to-day. Therefore, we come down to the simple question of asserting the ancient and honourable privileges of this House of Commons. This is the first case in Canada since Confederation where we have gone the length of putting a man under custody. In every case where a gentleman has been called to the Bar of this House he has submitted to the ruling of the House. But in the present case the witness refuses to submit to the ruling of the House. Then what are we going to do? Are we going to stand still and say to this man at the Bar: You are supreme, you do not need to answer this question; our Public Accounts Committee is a nullity; it has no power and no sanction behind it; if you do not want to answer the question, simply say no, and we cannot do anything. Are we going to take that position? Is there a man in this House who desires to uphold the dignity of this House who will take that position? We have clearly this issue. We have been defied at the Bar of this House, and we have nothing further to do than to pronounce the penalty which the judgment of this House thinks proper. As to precedents for that, we have many. I will quote a few of them in order to show that this is nothing unusual in countries over which there is British jurisdiction and in which parliamentary practice is recognized. Let me quote the first from page 158 of Bourinot:

It is clearly established that the power of commitment for contempt is incident to every court of justice, and more especially belongs to the Houses of Parliament as essential to the maintenance of their undoubted rights and privileges,—that it is incompetent for other courts to question the privileges of the Houses of Parliament on a commitment for an offence which they adjudged to be a contempt of those privileges;—that they cannot inquire into the form of the commitment, even supposing it to be open to objection on the ground of informality;—that when the Houses adjudge anything to be a contempt or a breach of privilege their adjudication is a conviction, and their conviction, in consequence, an execution.

Sir Erskine May lays down this rule:

The power of commitment, with all the authority which can be given by law, being established, it becomes the keystone of Parliamentary privilege and contempt; and if the warrant recite that the person to be arrested has been guilty of a breach of privilege, the courts of law cannot inquire into the grounds of judgment, but must leave him to suffer the punishment awarded by the Commons, House of Parliament by which he stands committed.

Then I would point out:

That an offender may be discharged at any time upon causing a petition, expressing proper contrition for his offence, to be presented.

I will point out a further authority in May's parliamentary practice as follows:

In the case of Sir Francis Burdett, in 1810, a doubt arose concerning the power of the Sergeant-at-Arms to break into the dwelling house of a person against whom a Speaker's warrant had been issued. The Sergeant-at Arms, when upon the execution of a warrant, was turned out of Sir Francis Burdett's private dwelling-house by force. The opinion

of the Attorney General was consequently required to determine whether the Sergeant was justified in breaking open the outer or any inner door of the private dwelling-house of Sir F. Burdett, or of any person in which there is reasonable cause to suspect he is concealed, for the purpose of apprehending him; whether the Sergeant might take to his assistance a sufficient civil or military force for that purpose, such force acting under the direction of a civil magistrate; and whether such proceedings would be justifiable during the night as well as in the day time.

The Attorney-General answered all these questions, except the last, in the affirmative; and acting upon his opinion, the Sergeant-at Arms forced an entrance into Sir F. Burdett's house, down the area, and conveyed his prisoner to the Tower, with the assistance of a military force. Sir F. Burdett brought actions against the Speaker and the Sergeant-at-Arms in the Court of King's Bench, and verdicts were obtained for the defendants.

Then on 15th December, 1876, there was the case in which a man named George King was committed to Newgate for six months for publishing a libel.

The power of the House to commit the author of the libels was questioned before the Court of King's Bench, in 1811, by Sir F. Burdett, but was admitted by all the judges of that court, without a single expression of doubt. . . . In 1821 the author of a paragraph in the John Bull newspaper containing a false and scandalous libel on a member was committed to Newgate.

Then May says, on page 90:

Either House will punish in one session offences that have been committed in another. In 1879 C. E. Grissell, having neglected to attend the House to answer for a breach of privilege, was ordered into the custody of the Sergeant, but evaded the execution of the Speaker's warrant by going abroad, until two days before the close of the session, when he was committed to Newgate. On the 2nd March, 1880, a petition submitting himself to the House was presented, when he was ordered to be sent for in the custody of the Sergeant. Being taken into custody, he was ordered to stand committed to the Sergeant, and to be brought in custody to the Bar on the following day; when, having failed to satisfy the House by his apologies, it was ordered that having evaded punishment for his offences until the close of the last session, he be committed to jail of Newgate.

Then Sir Erskine May says:

The modern practice of the Commons is to commit persons to the custody of the Sergeant at-Arms to Newgate, or to the Tower, during the pleasure of the House; and to keep offenders there until they present petitions praying for their release, and expressing contrition for their offences; or until, upon motion made in the House, it is resolved that they shall be discharged.

I could point to seven or eight other cases, but I will not weary the House with them. But I shall now point to a few cases in our own land. In the 'Powers of Parliament' by S. J. Watson, there appears a case which occurred in the old province of Canada in the year 1812. The report is as follows:

The House then authorized Mr. Samuel Street, the Speaker, to issue his warrant, to the Sergeant-at-Arms, for the arrest of Mr. Robert Nichol, of the township of Woodhouse, to answer unto such matters and things as may then and there be objected agains him, touching a contempt of the privileges of this House, with which he stands charged, and abide by the pleasure of the House thereon. On the 26th of February, Mr. Robert Nichol was brought to the Bar of the House.

Mr. Sovereign, a member, 'gave evidence of words used by Mr. Nichol, in his presence, disrespectful to the House of Assembly.' Mr Willcocks, another member, gave evidence similar to that of Mr. Sovereign.

Mr. Nichol was then heard in his defence; whereupon it was

Resolved, that Mr. Nichol has been guilty of a breach of privilege, in addition to his former offence, by denying that this House have the privilege of committing an offender, who by them has been found guilty of a breach of privilege.

It was resolved that Mr. Nichol be committed to the common goal of the district, during the pleasure of the House, and that the Speaker do issue his warrant for that purpose.

Then another case is cited, that of Messrs. Coffin and Givens:

Motion, that Nathaniel Coffin, Esq., Adjutant-General of Militia, and James Givens, Esq., Superintendent of Indian Affairs, having been summoned by a committee to appear before them, and not having complied therewith, they be apprehended and placed at the Bar, to answer for such contempt, forthwith. . . . Motion agreed to. Sergeant-at-Arms reports his proceedings upon the Speaker's warrant, and the refusal of those gentlemen to allow themselves to be arrested; report ordered to be entered upon the Journals, nem. con. They are placed at the Bar, and, being called upon for their defence, they severally explain the cause of their refusal; their statements to be taken down in writing, and entered on the Journals. Motion, that James Givens, Esq., has been guilty of contempt of the House, and a breach of its privileges, and that the Speaker do issue his warrant for committing him to the York jail for the remainder of the present session: Several amendments negatived, and motion agreed to. A like resolution, respecting Nathaniel Coffin, Esq.

Mr. GUTHRIE: What year was that in?

Mr. MIDDLEBRO: It is not stated here. The other case was in 1812, and I imagine this would be about 1815. Then, in 1829, the case of Allan MacNab is reported as follows:

Motion, that Allan N. MacNab, Esq., having refused to answer certain questions put to him by the Committee on the Hamilton Outrage, and having otherwise misdemeaned him-

self, is guilty of a high contempt and breach of the privileges of the House. Motion agreed to. Mr. Speaker to issue his warrant for apprehending him. He is placed at the Bar, and called on for his defence, which he makes accordingly. Motion, that Mr. MacNab be discharged, amendment, that he be committed to York jail, during the pleasure of the House, carried. The Speaker submits a warrant of committal, which is approved by the House. Mr. Speaker reports a letter from Mr. MacNab, relative to his imprisonment.

Then that case was appealed and the Chief Justice held that:

The House of Assembly in this province have a constitutional right to call persons before them for the purpose of obtaining information; and if the House adjudge the conduct of such persons in answering or refusing to answer before a select committee to be a contempt, they have the right of imprisoning them.

I would call the attention of the House to a recent case in the province of Nova Scotia, which went to appeal before the Privy Council, and in which case it was held, Law Reports, Appeal Cases, 1896, page 600, that:

The Nova Scotia House of Assembly has statutory powers to adjudicate that the wilful disobedience of its orders to attend in reference to a libel reflecting on its members, is a breach of privilege and contempt, and to punish the breach by imprisonment.

Lord Chancellor Halsbury said:

It is not denied that the respondent intentionally disobeyed the order of the House. He was therefore arrested by the order of the House and on being brought to the Bar of the House was adjudged to have been guilty of a contempt of the House, and was committed to the common jail of Halifax for forty-eight hours.

I have several other authorities that I might cite but I do not wish to detain the House.

Mr. GUTHRIE: The cases which the hon. gentleman has cited are all cases where legislative assemblies or legislatures have committed offenders to prisons under their jurisdictions. It is proposed by the motion to commit the offender, if offender he be, to the common jail of the county of Carleton a prison over which this House has no jurisdiction, but which is under the jurisdiction of the province of Ontario. Has the hon. gentleman any case in which this Parliament has acted in that way, or can he point to any prison over which this House has jurisdiction as a prison to which such a man might be committed?

Mr. MIDDLEBRO: According to the common law, the common jail—and that is why it is called the common jail—it is for the purpose of receiving persons who have been guilty of crime unless it is otherwise specified that they should be sent to some other prison.

Mr. GUTHRIE: It is not a crime.

Mr. MIDDLEBRO: For instance, if they are sentenced for over two years, they go to Kingston penitentiary. This House has a right to impose a sentence, and under section 1056 of chapter 146 of the Revised Statutes of Canada:

Every one who is sentenced to imprisonment for a term less than two years shall, if no other place is expressly mentioned, be sentenced to imprisonment in the common jail of the district, county or place in which the sentence is pronounced, or if there is no common jail there, then in that common jail which is nearest to such locality, or in some lawful prison or place of confinement.

Mr. GUTHRIE: That is a provision of the criminal law.

Mr. MIDDLEBRO: It is simply declaratory of the common law. I have no hesitation in saying that the motion is perfectly legal and perfectly justifiable and the only motion we can make if we are to uphold the dignity of the House of Commons.

Mr. PUGSLEY: I would like to ask my hon. friend if he would give me the statute to which he refers and which he says provides that any evidence given by a person before this House cannot be used as evidence in the courts?

Mr. MIDDLEBRO: I did not say it was a statute. My hon. friend need not be so very astute. I say that, according to the rules of Parliament, which are law, which have been created by precedents and otherwise of the British Parliament and which are also the law of Canada, being the Revised Statutes, 1906, chapter 10 and also I think, section 3 of the British North America Act, all rights and privileges which were enjoyed by the British House of Commons were given to this Parliament, so that we have as free and ample power as the British Parliament has with respect to parliamentary procedure, but no more.

Mr. PUGSLEY: I regret that my hon. friend's memory is so treacherous. My hon. friend made the positive statement yesterday——

An hon. MEMBER: The day before yesterday.

Some hon. MEMBERS: Oh, oh.

Mr. PUGSLEY: The day before yesterday, but it is immaterial whether it was yesterday or the day before yesterday. When this matter was last before the House my hon. friend made the positive statement that there was a statute which provided that any evidence given by a witness at the Bar of this House could not be used against him. Although my hon. friend was quite positive that it was a statute, he says now

that he did not mean to say that it was a statute but that he referred to the rules of the British Parliament which are in force in this Parliament.

Mr. MIDDLEBRO: And which are law in Canada to-day.

Mr. PUGSLEY: There is a considerable question as to that. The question came up in the province of Nova Scotia or New Brunswick and it was held that the legislature did not have many of the powers which were possessed by the Imperial Parliament and that one of these was the power of imprisonment for contempt. I think it was held that the legislature had not those powers.

Mr. HAZEN: Does my hon. friend remember the case?

Mr. PUGSLEY: I do not remember the case but I think my hon. friend will find it. It came up, in the form of an application to the court either in Nova Scotia or New Brunswick. I would like to submit to my right hon. friend who leads the House (Mr. Borden) whether he does not think this is a question of sufficient importance that its further consideration might be deferred for a couple of days?

Some hon. MEMBERS: No.

Mr. PUGSLEY: Well, hon. gentlemen say 'no.' May I suggest this? I do not know Mr. Miller, I never heard of Mr. Miller, and I never heard of this account until it came before the Public Accounts Committee. I have no interest in him whatever; but, as one member of this House, I am concerned that proper regard should be had for the liberty of the subject; and we should be very careful as to the course which we pursue. As has been truly stated, this is the highest court in the country. Even although we may make mistakes, even although we may falsely commit a man to prison, it is probable that he could get no redress from any court in the land, because this is the highest court in the country. That being so, I put it to my right hon. friend as to whether he should ask the members of this House to pass judgment on this matter before giving all of us the opportunity of looking into the evidence which Mr. Miller gave before the Committee on Public Accounts, of considering the very important statement made by Mr. Harvey, counsel for the prisoner at the Bar, and also of considering what our rights are with regard to committing this man to the common jail. These are all very important questions. One very important matter in connection with the question which was put by this House, is that it professes to summarize the evidence which was given before the Committee on Public Accounts. It is putting to the witness a leading question, which I venture to say in a court of law the witness would be justified in refusing to answer, if I have read correctly the evidence which was given before the Committee on Public Accounts. I will ask my hon. friend the member for North Grey if the witness swore before the Committee on Public Accounts in the very words of the question which he has put to the witness here through you, Mr. Speaker?

Mr. MIDDLEBRO: I did not take down the question word for word, but what the witness swore to; but the substance is the same.

Mr. PUGSLEY: I say that is a very important matter, and a matter which it is the duty of every member of this House to examine with the utmost care. We are called upon to-day, on the motion of the hon. member for North Grey, to take away the liberty of a subject; we are called upon to exercise the powers of the highest court in the country to send a man to prison because he has refused to answer a question put to him by you, Mr. Speaker, which question alleges that he swore that he made a certain statement under oath before the Committee on Public Accounts. His counsel has appeared at the Bar of this House and has declared that the witness never made such a statement; he has declared that you, Mr. Speaker, have been asked to put and have put into the mouth of this witness words as having been sworn to before the Committee on Public Accounts, which his counsel says he never swore to. May I ask my right hon. friend whether that is not a matter of importance to hon. members on both sides of the House to consider carefully. If it is, because it is not a party question, we ought to unite in upholding the dignity of Parliament.

Some hon. MEMBERS: Oh, oh.

Mr. PUGSLEY: To hon. gentlemen opposite the liberty of the subject appears to be a trifling matter; to hon. gentlemen opposite it appears to be a slight thing to send a man to prison, and that it does not require a minute's consideration, that it is not necessary to look into the evidence. They think it is their duty to take the statement of the member for North Grey and to act upon that without examining the evidence themselves. Why, the most inferior court in the country would not do such a thing as that. If, before any court in this land, counsel for the prisoner rose and stated that the facts were not as represented to the court by the counsel for the Crown, the court would ask for time to look into the truthfulness or otherwise of the statement made by the counsel for the prisoner. In this case the counsel for the prisoner has declared that his client did not make the

statement which you, Mr. Speaker, have been asked to ask him to say he did make before the Committee on Public Accounts, and which you, not having the evidence taken before the Committee on Public Accounts, have put to the witness. Is it not right that we should look into the matter? Is it not right that we should ask the counsel for the prisoner: upon what do you base that statement? Upon what evidence do you say that the hon. member for North Grey has asked Mr. Speaker to put into the mouth of the witness a statement which he did not make? Surely, common justice and common decency require that we shall take reasonable time for the purpose of inquiring into this matter and determining what is the truth. My hon. friend the member for North Grey complains that I have taken the statement of the prisoner at the Bar as against the statement of an hon. member of this House. I did no such thing. I took the statement of a gentleman who occupies a position of King's Counsel in one of the provinces of this Dominion, a gentleman who stands or who ought to stand equally high with a member of this Parliament. It does not at all imply that I mean to say that the member for North Grey had deliberately misled this House. I did not intend to make any statement of that kind; but when a leading King's Counsel appears before the Bar of this House and makes the statement to us that his client has not sworn before the Committee on Public Accounts in the words which it has been sought to place in his mouth by the hon. member for North Grey, through you, Mr. Speaker, that is a serious matter and one worthy of the most careful consideration of every member of this House. Let me ask my right hon. friend if he will not allow me to move the adjournment of the debate so that we can go into the matter carefully, and so that we may come to a conclusion in accordance with what is justice.

Mr. BORDEN: I would hardly like to break into the debate just at this juncture. It may be a proper subject for consideration later. It would be better for my hon. friend to conclude his address at present, and let other hon. members speak who may desire to address the House on the subject.

Mr. PUGSLEY: I desire to examine the evidence carefully and also the other questions which are involved. If I am compelled to finish my speech now, Mr. Speaker, I would be precluded from speaking afterwards.

Mr. BORDEN: If my hon. friend should desire to make any further observations later on, he can do so.

Mr. PUGSLEY: I thank my right hon. friend for that. I should like to quote the evidence that was given, as it appears in 'Hansard' beginning on page 3458 and closing on page 3460. This is the evidence as given to the House on the 17th instant by the hon. member for North Grey: Let me read it.

Q. And commencing with March 31, 1907, and up to the close of the term of your presidency the company did a business with the Government of some $117,000? A. Well, I could not say whether that is correct or not but I believe it to be correct.

Q. You believe it to be correct? A. Yes.

Q. The evidence showed, Mr. Miller, that a resolution had been passed by the directors of the Diamond Light and Heating Company in the month of June, I think it was, of 1907, authorizing you, as president, to make expenditures of money to secure business. Do you recall that resolution? A. Yes.

Q. Have you the books of the company with you? A. No.

Q. They would not now be in your possession? A. No.

Q. Do you recall the resolution? A. I do.

Q. Was that resolution passed at your request? A. Yes.

Q. I understand you represented to the directors that it took a lot of money to secure this amount of business. A. I represented that it would be necessary to use monies in order to secure business.

Q. Did you explain why it would require the expenditure of money to secure the business you were after? A. No, not in detail to any extent. I do not remember exactly what explanation they were given.

Q. What explanation did you give in general terms? A. I could not say. I do not remember what explanation I gave.

Q. You simply told the directors it took money to get this business? A. I could not remember what I did say.

Q. Can you remember anything else than that? A. No, I do not think there was any explanation given in detail.

Q. You simply said it took money to get this business, and, in pursuance of that request, they passed a resolution authorizing you to expend money to get it? A. Yes, to use what money I deemed advisable in order to secure business.

Q. That was in June, 1907, and it was between the date of that resolution and the close or your presidency that the business amounted to the figure named, $117,000. Now, Mr. Miller will you tell us what monies the company placed in your hands to secure business between those dates? A. The total amount was $41,026.

Q. Mr. Bain gave the total amount, and produced cheques making it some $42,000. A. He was not correct.

Q. Have you checked the cheques over since with his evidence? A. No, but I may state that this matter is in the hands of the courts and the amount was specified in the writ against me for an accounting, and it was checked over at that time and that is why I know the amount.

Q. Do you mean to say it was checked over on sworn evidence in court? A. On sworn

evidence, and I also corroborated it at the company's office.

Q. And the amount was $41,026? A. Yes.

Q. So that money was placed in your hands between June, 1907, and June, 1911, in order to get some $117,000 worth of Government business?

The witness does not say 'yes' to that. He says:

A. In order to get what business we could. I could not state the amount.

Q. You have stated the amount as $117,000? A. I said I believed it was that.

Q. That is the evidence given by Mr. Bain which you believe to be correct? A. I believe that to be correct.

Q. And beyond that the business of your company, according to Mr. Bain's evidence, only amounted to about $2,000? A. It was not very much. I could not say as to that.

Q. So that it amounts to this: that you were paid $41,026 by the Diamond Light and Heating Company in order to secure $177,000 odd of Government business? A. That money was drawn by me during those years.

* * * * * *

Q. My next question is this: Will you give the committee a statement of where you paid that money? A. I would beg to state that, owing to litigation at the present time going on in the courts in Montreal, and two cases which have yet to come up on which the evidence has not been given, I would respectfully request that I be not forced to answer that question, because I think it would be prejudicial to my case in court to give these details at the present time.

Yet, from that evidence, you have been asked to put to the witness a question as follows:

To whom did you pay the sum of forty-one thousand and twenty-six dollars for the purpost of securing contracts from the Government of the Dominion of Canada, amounting to one hundred and seventeen thousand dollars or thereabouts, between the month of June, 1907, until you ceased to be president of the Diamond Light and Heating Company in June, 1911, as alleged by you on your examination before the Select Standing Committee on Public Accounts on Friday, the fourteenth of February, 1913?

Now, there is the question put to the witness—to whom did you pay the sum of forty-one thousand and twenty-six dollars'? as you swore to the Public Accounts Committee you did pay in order to secure Government business? But the counsel for the prisoner at the Bar says that he never made such a statement before the Committee as has been attributed to him. And I say he did not, if the hon. member for North Grey has correctly quoted to this House the evidence given before the Committee on Public Accounts.

Mr. CARVELL: And he did not read it all even then.

Mr. PUGSLEY: No, he did not read it all. But what counsel said the witness had said was that he had received $41,026—he, Mr. Miller, had received it. He had told the directors it would require money in connection with getting the business—that he would be able to get, and that he had drawn from the company $41,000 odd. But he did not say in his evidence that he had paid $41,000 odd for the purpose of securing government business. Now, I ask you, Mr. Speaker, as presiding officer of this House, and by whom the question has been put to the witness, in view of what his counsel has stated and of what I present to you as to the facts of the case, what can you think of your having been requested by an hon. member of this House to ask the witness a leading question against the statement that has been sworn to by the witness and based upon something which he never swore to before the Committee? And it is because his counsel stated that Mr. Miller had never sworn to that, and because he has said that the business is entirely private and relates to a matter which is pending in the courts, that this House is asked to declare him in contempt and to take away his liberty by committing him to prison until the prorogation of this Parliament. Sir, if this report of the evidence is true, the man could not have answered that question.

Mr. PELLETIER: Why didn't he say so?

Mr. PUGSLEY: He did say so. His counsel said so.

An hon. MEMBER: No, he did not.

Mr. PUGSLEY: He said that this was putting words into the mouth of the witness, it was seeking to put a leading question alleging that he had made a statement which he had never made.

Mr. RHODES: I am sure the hon. gentleman (Mr. Pugsley) wishes to be fair. And I do not see any reason why there should be any heat over the argument. I was present in the Committee on Public Accounts when the witness was examined. His counsel was present, and not one murmur of objection came either from him or from the witness as to the nature of the question or as to the treatment of the witness.

Mr. PUGSLEY: I am not complaining of what took place before the committee, but of what took place here. It is one erroneous and false question that has been submitted to him—not intentionally but unfortunately—by the hon. member for North Grey declaring that the man made a statement under oath before the Committee on Public Accounts which the record shows he never made.

Mr. LANCASTER: How does the hon. gentleman account for the fact that the man himself never made any such objec-

tion as the hon. gentleman himself is now making? Why did not he say that he never gave such evidence?

Mr. PUGSLEY: By permission of this House, he was represented by counsel, and his counsel called the attention of the House to the fact that he had not sworn before the committee as the hon. member for North Grey said he had. But the important consideration is that when we come to examine the record upon which the House is called upon the commit this man to the common jail as an ordinary criminal, we find that the statement of his counsel is borne out in every respect. The hon. member for Lincoln (Mr. Lancaster) is a good lawyer; will he not do the prisoner the justice of looking into the evidence taken before the Committee on Public Accounts——

Mr. MEIGHEN: Has the hon. gentleman read all the evidence?

Mr. PUGSLEY: I have considered all the evidence read to the House by the hon. member for North Grey (Mr. Middlebro), because it was submitted by him as the material upon which he asked this court to act, and, if there is any apology due, it should come from the hon. member for North Grey.

Mr. MIDDLEBRO: I laid on the table of the House the whole of the evidence given by R. C. Miller, and that evidence substantiates the whole of the proceedings that were taken. I did quote the principal parts of that evidence in my remarks, but they were based upon the whole evidence.

Mr. PUGSLEY: The whole evidence does not appear in 'Hansard,' and that is an additional reason why we should have an opportunity of looking into the matter. I would assume that the hon. member for North Grey selected for the purposes of his remarks the important parts of the evidence —and why should he not do so? He did this for the purpose of asking this House to take criminal action against the prisoner at the Bar. Have we the right to assume that the hon. member submitted to the House that portion of the evidence which was not material, and laid upon the table merely what was material? Have we not the right to assume that he called your attention, Sir, and the attention of hon. members of this House, to what he thought was the material part of the evidence upon which the House should act in calling the prisoner to the Bar of this House? Sir, I repeat there is not one word in the evidence which the hon. member read, and which appears in 'Hansard,' to justify the question which you put to the prisoner. That question professes to sum up what the prisoner swore to, but I contend that it sums up what he did not swear to, and adds words which are not justified by what took place before the Public Accounts Committee. That cannot be denied, and, if the allegation made by Mr. Harvey, the counsel for the prisoner, is true; if what I say is true, let me make an appeal to my hon. friend the Minister of Justice. Surely to him, charged as he is with the administration of Justice so far as the Dominion is concerned, the liberty of a subject is of some value; surely he considers that, whether high or low, rich or poor, every British subject is entitled to receive justice, and justice only. I ask my hon. friend the Minister of Justice, after considering the evidence given before the Committee on Public Accounts, to tell me and tell this House whether the witness swore to that which by this question he is alleged to have testified. My hon. friend cannot find in the evidence one single word to justify the allegation made in this question to the effect that the witness swore that he had paid out $41,000 for the purpose of securing government business. This man stated before the Committee on Public Accounts that he had told his directors that he would require money to secure business, and that they had paid to him this sum of forty-one thousand odd dollars, but he said not one word as to his having paid this amount to other people for the purpose of securing government business.

Mr. LANCASTER: If that is so, why did not the witness, when asked this question before the Bar of the House, say: 'I didn't pay it to anybody?'

Mr. PUGSLEY: My hon. friend is proposing to adopt the principle upheld in some countries, that a man who is accused shall be deemed to be guilty unless he proves his innocence. What does my hon. friend now say, in effect? Although there is not a particle of evidence against this man, although this question is absolutely unwarranted by the evidence; although the statement of his counsel may be true, my hon. friend asks why this man did not say that he never swore to such a thing? And, because he did not say that—

Mr. LANCASTER: That is not what I said.

Mr. PUGSLEY: Even though this statement contains a supposed allegation of fact which is not fact, my hon. friend says that because the prisoner did not himself deny it, but left it to his counsel, he should be railroaded off to the county jail and incarcerated as a common felon until such time as this Parliament may see fit to release him.

Mr. LANCASTER: I will endeavour to put my hon. friend right, although I admit that it is a somewhat difficult task. What I said was this: If my hon. friend is right

in his very technical, and, I would almost say, fictitious argument on behalf of this man, would not the witness himself, when asked the question to which my hon. friend is objecting have stated that he did not pay that money to anybody?

Mr. PUGSLEY: The witness was, in effect, asked this question: 'Before the Committee on Public Accounts you swore that you had paid out some $41,000 for the purpose of securing government business; to whom did you pay that?' His lawyer raised the objection that the witness never swore to anything of the kind before the Public Accounts Committee, and the record upholds this contention. The witness is now held in contempt of this House for not answering this question—a question which, as I have said, contains a statement as a fact which is not a fact, but is absolutely without foundation. The hon. member for Lincoln is just as technical as I thought he was a while ago, and he says, in effect, that even if that to which the counsel has called attention is absolutely true— that the witness never swore to such a statement —and even though the records show that the position taken by counsel is absolutely correct, yet, because the man did not himself deny it—

Mr. LANCASTER: Who was before the Bar, the witness or the counsel?

Mr. PUGSLEY: Therefore we ought to railroad him to jail; in other words, we hold him guilty not because we have proved his guilt, but because he has not proved his innocence. He appears before this high court of Parliament and is treated as being in contempt; this court tells him that he swore to a certain thing before the Committee on Public Accounts. whereas the records show he swore to nothing of the kind. His counsel called the attention of the hon. member for North Grey and of all hon. members of this House to that fact, and yet we are asked to punish him for not answering a question which is a leading one, containing alleged statements of fact, as I have said, which are not facts at all, and which there is no evidence whatever to support.

It seems to me there is another important consideration which this House ought to have in mind, and that is as to whether. in view of the explanation given both by the prisoner at the Bar and his counsel, this Parliament ought to take action at the present time and commit the prisoner to jail. The prisoner has stated that litigation involving these very matters is pending, I understand the hon. member for North Grey to state that he appealed from the order that he should account for this money, but that is as far as the matter has gone. He has to account for that. The matter has not yet reached what is called the enquette stage in Quebec, when evidence is to be taken. My hon. friend from Carleton (Mr. Carvell) says that evidence has been taken in one case. However, that is not material. The evidence is still to be given, the rights of the parties are still to be tried out, and the prisoner and his counsel have asked that this matter be allowed to stand over until this litigation be ended, and the counsel says that his client will appear at any time when Parliament asks him to attend. It does not appear that he has at all sought to evade the process of Parliament. It appears that he came here simply on a telephonic message; because, as you know, the order was only passed on February 17, and on the next day, the 18th, the man appeared before the Bar of the House. I take it for granted that he had not even been served with a summons by the Sergeant-at-Arms, but appeared upon a suggestion that he would be required, and that in answer to an inquiry which he made himself. When, in addition to that, he says under oath that he never paid one single dollar to any member of the Senate, to any member of the House of Commons, to any member of the Government, to any official of the Government or of Parliament, in connection with this business, but that it is a matter entirely as between this company and himself, and when all he swears to is that he simply said to his company that it would require money to get business —not mentioning government business at all—and that he received the money, but makes no statement as to paying it out to get government business—that the matter is entirely between him and the company— it does seem to me that it is a question for the House to consider whether it ought to take the extreme measure of committing this man to the common jail.

There is another consideration to which this House ought to have regard, and which I, at all events, would like to look into, and that is whether this federal Parliament can commit one who has offended against its dignity or privileges to a common jail which is under the jurisdiction of and is maintained at the expense of the provincial Government and the municipal authorities. This House of Commons has a Sergeant-at-Arms, an officer who can take offenders against its dignity or privileges into custody, and the prisoner has already been taken into the custody of the Sergeant-at-Arms. It seems to me that if this Parliament is to punish at all, it is only justified in continuing the committal of the prisoner to the custody of the Sergeant-at-Arms. It is true that it is said in the newspapers that the tower of this Parliament is not a suitable place in which to keep prisoners. If that is true, I presume my hon. friend the Minister of Public Works might, in the course of two or three weeks, have the tower fitted up so that it could be made

reasonably comfortably for the accommodation of prisoners who might offend against the dignity and the privileges of this Parliament. It is a lamentable deficiency of this House that it has not a tower to which prisoners of state may be committed. It is true that in the British House of Commons, when a Mr. Maxse was called before one of the committees of the House, and was asked to declare as to certain persons to whom he had referred, but not by name, in connection with the entering into of a contract with respect to wireless telegraphy, and refused to give to the committee information as to the persons to whom he had referred, and a motion was made in the House to commit him to the tower for refusing, the Prime Minister stated that that was a proceeding which was absolutely obsolete, and declined to move for the commitment of the witness. That was a case precisely similar to this, a case in which Mr. Maxse said: 'These are matters private to myself.' The committee said: We are entitled to know, if for no other reason than curiosity—just as the hon. member for North Grey says that even although this man swears that he had no improper dealings with the Government or with any member or official of the Government or with any member of the House of Commons or the Senate, yet we want to know; although it is absolutely private, although it is a matter which may absolutely and entirely concern himself and his company, yet we have started out upon this important pathway, and we want to follow it to the end, and we are bound to drag out of this man this information, even although it may be entirely private and may in no way concern the public interest, and if necessary we will exercise the powers of this High Court of Parliament and send this man to jail as an ordinary offender, to satisfy our curiosity.

Mr. LANCASTER: He might be a middleman.

Mr. PUGSLEY: That might be assumed. We may assume anything. If we choose to rely on a vivid imagination we may imagine anything. But in England the other day the statement made by Mr. Maxse was one which did concern the honour of the Brish Government and of members of the Government; and, although a motion was made for the commitment of this man to the tower until he would answer, Mr. Asquith said that this procedure was obsolete and declined to take the proceedings.

I would ask what right this Parliament has to commit to the common jail, to be maintained at the expense of the government of Ontario and the municipal authorities of the city of Ottawa or the county of Carleton, a man who has been guilty of a contempt against the dignity of this House. Unless there is statutory authority, it seems to me there is no power to do it.

The hon. member for North Grey has cited the case of a man committed to Newgate; but Newgate is a prison of the United Kingdom. It corresponds in England, I suppose, to the penitentiary at Kingston or at Dorchester in Canada. Why has not my hon. friend gone a little further and moved that this man be committed to Kingston penitentiary at hard labour? Why has he stopped? Is it through the tenderness of his heart, or is it because he thinks this Parliament has not the power to commit an offender to the penitentiary?

Mr. CARVELL: No, it is because he is afraid this Parliament will not last two years.

Mr. PUGSLEY: Outside of the tower, outside of the custody of the Sergeant-at-Arms, I know of no place or person to which or to whose custody this man may be properly committed, and I do not think there is any power to pass the order which my hon. friend has asked this House to pass. I do beg of my right hon. friend, not for myself, because I have no interest in the matter at all, but for the sake of the honour of this House, to allow some little time for consideration in order that whatever action we do take shall be correct, shall be in accordance with justice and with what is due to this Parliament and to the public which this Parliament represents, and which may not be an improper infringement, an unlawful infringement, on the liberty of the subject.

Mr. CROCKET: Mr. Speaker, it seems to me that what my hon. friend from St. John (Mr. Pugsley) has said in defence of what he has been pleased to term the honour of the House is entirely beside the question that is now before the House. The other day this House unanimously ordered that a particular question should be put to Mr. Miller. That question was put in pursuance of the order of the House. Mr. Miller has declined to answer the question which the House unanimously directed should be put to him, and all that my hon. friend from the city of St. John has said is, I think, entirely beside that question. Mr. Miller is certainly in contempt of the authority of Parliament at the present time, apart altogether from what my hon. friend has stated with reference to what took place in the Public Accounts Committee. My hon. friend in the argument he has presented to the House has endeavoured to establish that the question which the House ordered should be put to Mr. Miller, was not a question which

was justified by the evidence that has been adduced before the Public Accounts Committee. What my hon. friend objects to, as I understand him, is the implication in the question that Mr. Miller paid $41,026 for the purpose of securing contracts from the Government of the Dominion of Canada amounting to $117,000; when he claims that the evidence shows that the amount paid in connection with the entire business of the company amounting to $117,000. I was not in the Public Accounts Committee when this investigation was going on, but I find from the evidence which my hon. friend has already quoted, that Mr. Miller admitted that practically all the business of the company, all the contracts of the company were contracts obtained from the Government, and that there was very little apart from the business that was done with the Government of Canada. The following is the evidence in that regard:

Q. You have stated the amount as $117,000? A. I said I believed it was that.
Q. That is the evidence given by Mr. Bain which you believe to be correct? A. I believe that to be correct.
Q. And beyond that the business of your company, according to Mr. Bain's evidence, only amounted to about $2,000? A. It was not very much. I could not say as to that.
Q. So that it amounts to this: that you were paid $41,026 by the Diamond Light and Heating Co. in order to secure $117,000 odd of Government business? A. That money was drawn by me during those years.
Q. For the purpose of securing that business? A. For the general purpose of getting the business.

Now, I think my hon. friend stopped reading the evidence at that point. Here are some questions and answers which also appear in the printed evidence taken before the Public Accounts Committee:

Q. Your travelling expenses and other expenses were paid besides that? A. Yes.
Q. And you gave vouchers for them? A. Yes.
Q. But for this money that you spent to get business you gave no vouchers? A. I initialled only on the cash book of the company.
Q. All you did was initial for the money on the cash book when it was paid you by the secretary? A. Yes.

Now I think, Mr. Speaker, that that evidence which I have just quoted substantially bears out the statement as it is put in the question which this House ordered to be put to the prisoner at the Bar. But all this as I say is entirely beside the question before the House.

Mr. PUGSLEY: The only evidence I have read is what the hon. member for North Grey submitted to the House. Is that all the evidence there is upon which to base the assertion that the witness had sworn before the Committee on Public Accounts that he had paid out this sum of $41,026 for the purpose of securing public business? Is that all?

Mr. CROCKET: I am not able to say, for the reason that I have not read the entire evidence, but I say that the evidence I have read is sufficient to justify the statement as it is set forth in the question which the House ordered to be put to the witness at the Bar.

Mr. MACLEAN (Halifax): I am acquainted with the evidence also. I would like to inquire if a motion was passed by the Public Accounts Committee to the effect that the question put to the witness in the House was a question which he should answer. It may have been put, but from a cursory glance of the Minutes, which are in the possession of my hon. friend the member for Carleton, I do not find that the Public Accounts Committee ever determined that this was a question which should be answered.

Mr. CARVELL: Or ever submitted.

Mr. MACLEAN (Halifax): Or that it was ever submitted. It may have been asked I fancy, by a member, and a motion may have been made that the papers be transmitted to the House; but I cannot find that the Public Accounts Committee ever determined, or attempted to determine, that this was a question which the witness should answer. If they did not determine that, or requested it, I do not think the House could.

Mr. CROCKET: The very next question, following the questions and answers I have already quoted, is:

Q. Will you give this committee a statement of where you paid that money?

And then the witness declined to answer.

A. I would beg to state that owing to litigation at the present time, going on in the courts in Montreal, and two cases which have yet to come up on which the evidence has not been given, I would respectfully request that I be not forced to answer that question, because I think it would be prejudicial to my case in court to give these details at the present time.

The Chairman overruled the objection, and required the witness to answer. He declined to answer, and I presume the committee referred the matter to the House, and it was disposed of by the House the other day, when we unanimously resolved that Mr. Miller be required to answer the question which was put to him this afternoon.

Mr. MACLEAN (Halifax): That hardly answers my question. The Chairman would have no power whatever to determine whe-

ther the privilege which the witness claimed was well founded.

Mr. CROCKET: What took place in the Public Accounts Committee is not relevant at all to the motion which is now before the House. As I have already said, this House unanimously ordered a question to be put to the prisoner at the Bar. He appeared at the Bar this afternoon and declined to give any answer of any kind whatever to the question. If what my hon. friend from St. John stated this afternoon is true, the witness in my opinion could very well have answered the question and made the explanation which his counsel—I will not say his counsel—which the hon. member for St. John (Mr. Pugsley) presented this afternoon, and that would have been in compliance with the order of this House. What we have to deal with is the refusal by a subject summoned to the Bar of this House.

Mr. PUGSLEY: I would ask my hon. friend if he intentionally made the statement that I was counsel for Mr. Miller? If so, I would ask him to withdraw it. It is a very improper statement to make, and is absolutely without foundation, because I have not the acquaintance of Mr. Miller at all. My hon. friend cannot in that clever way put it and say 'I will not say counsel.' He has made an insinuation that I was counsel, and I ask him if he meant it, or not. If he did mean it, I ask him to withdraw the statement.

Mr. CROCKET: Mr. Speaker, you heard exactly what I stated. I referred to my hon. friend as 'my learned friend' and as 'my hon. friend from St. John.' I used the word 'counsel' and immediately withdrew it. If my hon. friend is not satisfied with one withdrawal, voluntarily and instantly made, I do not think it is proper that I should be called upon to make a second. It was simply a slip of the tongue, which I immediately withdrew.

Mr. PUGSLEY: That is quite satisfactory.

Mr. CROCKET: An unfortunate slip that seems to have particularly annoyed my hon. friend.

Mr. PUGSLEY: It always annoys me to have insinuations made by gentlemen who, while having the facts within their knowledge, have not the courage to state the facts.

Mr. CROCKET: My hon. friend from St. John is very solicitous now about maintaining the honour of this Parliament, and has argued with great earnestness in behalf of the prisoner at the Bar. I submit however that the points that he has endeavoured to make in the long argument which he has addressed to the House this afternoon, should have been made by him when the motion was presented to the House the other day that this question should be put to Mr. Miller. That motion was unanimously adopted and it seems to me that the only thing that this House has now to consider is how we shall deal with Mr. Miller because of his deliberate refusal to answer the question which the House demanded him to answer.

Mr. CARVELL: My hon. friend from York, N.B. (Mr. Crocket) has had so little practice in speaking in this House during the last two or three years that I fear he does not think with his ordinary agility. But now that he has found his voice, I think that in a short time he will come around to his ordinary way of talking, and will talk much more logically than he has done this afternoon. My hon. friend did not seem to grasp the proposition put forth by my hon. friend from St. John (Mr. Pugsley) in a very lucid manner. My hon. friend from St. John practically stated that this question, which was put to the witness, Mr. Miller, by His Honour the Speaker, contained an unwarranted assertion of facts as based upon the evidence given by Mr. Miller in the Public Accounts Committee and which was professedly given to this House by the hon. member for North Grey (Mr. Middlebro). My hon. friend from York was fair enough to read to this House practically every word of the evidence given my Mr. Miller in the Public Accounts Committee bearing upon this question. I was present at that meeting of the Public Accounts Committee, as I usually am, and I think that the evidence as taken down is exactly as it was given. I have read this evidence over very carefully and I find only one place where I think there has been the least slip of a word; otherwise it is an absolutely verbatim report of the evidence as given. The point which the hon. member for York has failed to appreciate is that Mr. Miller never swore that he paid money to anybody and that Mr. Miller never intimated that he paid money to anybody. What Mr. Miller swore was that he received from the company $41,026 for the purpose of obtaining government business. However, the hon. member for North Grey turns around and says: What did you do with the money which you paid for obtaining government business when Mr. Miller never said that he did.

Mr. BLAIN: That question was asked the witness and he refused to answer it.

Mr. CARVELL: My hon. friend, I think could not have been there. I will read what the witness says:

My next question is this: Will you give the committee a statement of where you paid that money? A. I would beg to state that, owing to the litigation at the present time going on in the courts in Montreal, and two cases which have yet to come up on which the evi-

dence has not been given, I would respectfully request that I be not forced to answer that question, because it would be prejudicial to my case in court to give these details at the present time.

Mr. LANCASTER: Does that not mean that he paid it to somebody?

Mr. CARVELL: My hon. friend from Lincoln and Niagara cannot ask me what that meant. That is for him to state. I am only giving the evidence as it appears and Mr. Miller never said that he paid this money to anybody for the purpose of obtaining government business. My contention is that the hon. member for North Grey has placed in the mouth of Mr. Speaker the direct statement that he did pay this money to some person for obtaining government business and he wants the witness to say to whom he gave it. The hon. member for Lincoln, a few moments ago, when my hon. friend from St. John was speaking, asked: Why did his counsel not interfere? If the hon. member for Lincoln had been in the Public Accounts Committee that morning and if he had seen the manner in which this question was handled by the chairman, he would know why counsel did not object to anything.

Mr. LANCASTER: I did not say anything about counsel objecting.

Mr. CARVELL: How could he do so?

Mr. LANCASTER: Will the hon. gentleman pardon me? I did not say a word to the hon. member for St. John about counsel objecting; what I did say was that the man himself never made the statement that the hon. member for St. John says he ought to have made.

Mr. CARVELL: That is drawing a pretty fine distinction.

Mr. LANCASTER: The man knows, and he did not say so.

Mr. CARVELL. If my hon. friend had been in the Public Accounts Committee and had heard the chairman of that committee, in the first place, refuse to give this man counsel, refuse to allow the committee to discuss it at all, telling the committee that this man could not have counsel because the Government did not have counsel; and then, if he could have heard the Chairman of the Public Accounts Committee declare the motion to give this man counsel lost when a majority had voted for it, and if, when the chairman was obliged to count the hands that were held up, he could have heard him compelled to reverse his decision and declare that the motion was carried, he would have understood why this man's counsel had not interfered.

Mr. MIDDLEBRO: I want to tell the hon. gentleman that when this question was first put to the committee, there were five or six members who held up their hands when they were not members of the committee, but when the motion was put a second time they did not hold up their hands, and consequently the motion was lost.

Mr. CARVELL: If my hon. friend can get any consolation out of a statement like that, I have no objection. But I would like to say to my hon. friend from Lincoln that he is not used to being at the Public Accounts Committee; he is used to being at a committee where, I understand, things are run properly, and naturally assumes that they are run in the same manner in the Public Accounts Committee.

Mr. LANCASTER: Thanks; I will not say anything further.

Mr. SPEAKER: I am afraid it is not permissible to reflect on the action of this House, or any committee of the House, except upon a motion to reconsider, rescind, or act upon it.

Mr. CARVELL: I want to keep myself, Mr. Speaker, entirely within the rules of the House. I was only complimenting, I thought, my hon. friend from Lincoln on the splendid manner in which he conducts the Railway Committee. That was certainly my object in making the reference.

Mr. LANCASTER: I am glad you take it that way.

Mr. CARVELL: But there is another question to be considered. The counsel for the prisoner, if we are to term him such, raised the question that his client ought not to be compelled to answer this question because it was not properly put and because it was an assertion of facts that never existed. I think counsel was justified in raising that objection. There is not a legal gentleman on this or the other side of the House who would hesitate for a moment in deciding, if he were placed on the bench, that this is not a proper question to be answered. There is not a court in Canada—there is not a justice of the peace in Canada—who would ask a witness to answer a question based upon an improper and imperfect assertion of facts. A responsible gentleman, a lawyer of standing and a King's Counsel, a man about whom I know nothing, comes before this House, the highest court in Canada, as hon. gentleman are pleased to term it, and when a gentleman of such standing comes here and says: I object to my client being compelled to answer a question based on an improper and imperfect statement of facts. I say it is beneath the dignity of

this House to force this man off to jail like a felon for the next two or three months if he does not answer the question. We are not living in Russia; we are supposed to be living in a civilized country; I intend to consider that we are living in a civilized country until something takes place which will change my opinion. A very important question has arisen in this debate, a question which I think requires more than a mere passing notice. My friend from North Grey has cited some old cases, some of them a hundred years old or more——

Some hon. MEMBERS: Times of slavery.

Mr. CARVELL: I can only say that times have changed in Canada since then. I am not old enough to remember the days of the old Family Compact; my grandfather was old enough, and I am old enough to remember what my grandfather has told me. It was a very small thing a hundred years ago for the Family Compact to send an ordinary plebeian to jail. It was like the old case down in New Brunswick, when the force of the Family Compact was broken; when responsible government was established and an ordinary plebeian was made a justice of the peace. He went down to the legislative offices, walked in and said: 'I want to be qualified as justice of the peace,' and the old Family Compact official told him, 'I can swear you in but the Lord Almighty cannot qualify you.' That was the spirit which governed things a hundred years ago. I have no doubt that my friends can find lots of authorities a hundred years ago, when men were sent to jail as common criminals for very small offences. I think cases can be found where men were executed for theft in Canada. You need not go back a hundred years or even half a hundred years to find a time when a man was not even allowed to give evidence in a civil case in his own defence, let alone in a criminal case. Fifty years ago a man would not be allowed to give his own side of the case at all against any evidence. Things have changed since then, and I am very glad of it. I have very grave doubts as a matter of law whether we have jurisdiction to commit this man to jail. I have not looked into the matter, but I have seen no evidence so far to justify me in coming to the conclusion that we can do so. I believe that we have the right to imprison this man in the House of Commons in the tower or some such place. My friend has cited a number of cases where men were sentenced to the common jail by the legislative assemblies of the province of Ontario and Nova Scotia; but remember that the province of Ontario creates the authorities which own, control and manage the common jails. The province of Ontario appoints the sheriff and the sheriff is the man who has charge of the jails. The same is true of the province of Nova Scotia and of all the provinces of Canada. There is no doubt that the legislative assembly of any of the provinces has the jurisdiction to sentence a man to the common jail, because the common jail is of their own creation and under the control of one of their own officers. What control have we over the common jail of the county of Carleton or the sheriff thereof? You might just as well send this man down to the common jail in Montreal or Vancouver. The jailer or the sheriff would say: what right have I to receive this man?

Mr. LANCASTER: Supposing he receives him, what then?

Mr. CARVELL: Then I have very grave doubts whether he would not be liberated under habeas corpus.

Mr. LANCASTER: Over this Parliament?

Mr. CARVELL: I am only giving my own opinion. I wish to tell my hon. friend that my opinion is this: If Parliament has not the power at present to put this man in the common jail, the only way in which to do it is to pass an amendment to the Criminal Code. Then we would have the power.

Mr. LANCASTER: What court could restrain Parliament?

Mr. CARVELL: My opinions may not coincide with those of hon. gentlemen opposite. I am only putting these forward as some of the reasons why in my judgment the request for delay in this matter should be granted. Surely it cannot do any harm. This man is now under confinement, he cannot get away. I just want to say before I close that I think it is a great pity that men who have the authority in this matter refuse this man the right to go to the restaurant, as he did the first day, but confine him as a common felon in the House in a cell. I think it is pretty small business, whoever is responsible for it.

At six o'clock, House took recess.

After Recess.

House resumed at eight o'clock.

Mr. CARVELL: When the House rose at six o'clock I had been discussing some doubts I entertained as to the legality of this House to ordering a man to the common jail of the county of Carleton. Of course, I have had no time to look the matter up, but the more I think of it, the more I am satisfied that there is a great difference between the authority of this House of Commons to direct a man to be

imprisoned in the common jail and the authority of a legislature or a House of Assembly of the province to so direct. I have not looked into the matter lately, but from my recollection of reading of constitutional law, the sheriff originally was the first subject of the county and represented the King. He carried out the instructions of the King. To-day the sheriffs of the different provinces of Canada represent the King in those provinces, but not in respect of the Dominion; while, therefore, I think it might be quite proper for the provincial legislature to order a man to be imprisoned in the common jail until he purged himself of the contempt of which he was found guilty in regard to the House of Assembly, it might not follow that the House of Commons has the same power. That is only another reason why I think, there should be delay. I may be wrong in my law, and I do not put it forward as an absolute proposition of law, but it is certainly a matter requiring some examination, and I think that this House of Commons, which, as has been said here a number of times, is the highest court in this country, ought not to do anything rashly or put itself on record until after the fullest investigation or without giving every member who sits here in the capacity of judge opportunity to inform himself concerning the matter and reach a conclusion by himself.

There is another reason why, in my judgment, we are proceeding on a wrong principle. This is a matter of great importance to the defendant—I propose to call him the 'defendant' instead of 'prisoner.' He came here and made his statement, and his counsel has made his statement, as to the reason why, in his opinion, his client ought not to be called upon to answer this question. By direction of this House, I think wrongly—not wrong legally, but wrongly as a matter of fairness and right between man and man—the witness and his counsel were denied the right to remain in this House and listen to the investigation. We have no arguments from the defendant's counsel. We do not know what his position is. He might have something to put before us with regard to our right to put a man in the jail of the county of Carleton that we have not before us now. Because, the members of this House, except possibly my hon. friend from North Grey, have not had any opportunity to investigate the matter, for the simple reason that we did not know that it was coming up. I do not suppose that there is a man in this House of Commons who has spent ten minutes over the question except the hon. member for North Grey. No man has had the opportunity to investigate. I think it would be only fair and in accordance with common-sense if sufficient time were given us for investigation.

Another reason, why, in my opinion, is a cogent one is this: It has been stated here as well as in the Public Accounts Committee, and no one will gainsay it, that there are disputes about money matters between this man Miller and his co-directors of this lighting company. As a matter of fact, it is in evidence that there are three suits in process at the present time. One has been tried, and we are told the issue was whether or not this man should render an accounting to his co-directors for the expenditure or non-expenditure of $41,000. It is true, as stated by the counsel for Mr. Miller, that no additional evidence can be used on the argument of this case before the Appellate Court of Quebec. I am assuming the law as stated here, and am arguing the case from these premises. But, Sir, they argued in this instance that this man should render an accounting. And the trial court has decided in the affirmative—that he shall render the accounting to his co-directors. Miller is appealing against that as a matter of law, and saying that the trial judge is in error in saying that he must render this accounting. Suppose the Appelate Court decides that Miller's contention is right—and we know that it is a very common thing for the decisions of trial judges to be reversed on appeal—and that his co-directors are not entitled to an accounting, what then? This Parliament will have compelled the defendant to give information which the courts of the land have decided he is not called upon to give. And if he gives the information, what is the use of his appeal? Is not that a reason why this Parliament should, at least, take some time to consider the matter before this man is forced to give information which he says is purely a private matter?

I do not wish to argue the matter further. I put it on the high ground that justice certainly should emanate from this House, the highest court of this country. No injustice can result from reasonable delay, and by taking reasonable time for investigation and consideration, I believe this House will be doing that which will elevate it in the opinion of the people of this country, for it will mean that we shall view this question from the lofty standpoint that we are not here to prosecute men, to do justice and give fair-play to every man. I commend to the right hon. gentleman who leads the House that he might well comply with the request made by the defendant's counsel. Nobody could be placed in any unfavourable position thereby. There is no question of backing down in this matter. The Government has not brought this up, the Conservative party has not brought this up, nor has the Liberal party. It is purely a

matter of the Chairman of the Public Accounts Committee, who brought this matter before the House of Commons and has asked that this man be committed to the jail of the county of Carleton for refusing to answer this question. It would seem to me that if there is anything in the contention—and I think there is a good deal—that this defendant ought not to be compelled to disclose private matter which he claims will interfere with the proper administration of justice in the province of Quebec between him and his co-directors, no harm should result by delay, not merely of three of four days, but until the matter is settled in law. This defendant is a resident of the Dominion of Canada, and I am told he is carrying on a big business in Montreal. So, even after this case is settled, even if this Parliament wants to bring him before them and to exercise the power, if they possess it, that it is proposed they shall exercise justice, shall be satisfied, the dignity of Parliament will be sustained, and we shall have at least the consciousness that the highest court in this land has not deprived a man of liberty for caprice merely but on well reasoned ground and in high public interest.

Mr. ARTHUR MEIGHEN (Portage la Prairie): I think I see in the more moderate tone of the hon. member for Carleton (Mr. Carvell) since eight o'clock, as compared with the much stronger language he used before that time, a softening of his convictions that there is anything wrong or anything that can reasonably be opposed in the resolution before the House. The hon. member for St. John (Mr. Pugsley) attempted to advance something which merits refutation even though it is aside from the issue which we are now considering. The hon. member for St. John takes serious objection to the form of the question asked of the witness Mr. Miller. The objection which he takes is that Mr. Miller had alleged before the Public Accounts Committee that he had paid $41,026 to secure some $117,000 worth of government business, and he says that inasmuch as that allegation is not correct, the question is unfair and we should not ask him to answer it. There appears to be no question on the other side of the House that this money, whether spent or not, was paid to Mr. Miller by the company for the purpose of getting government business.

Some hon. MEMBERS: No, no.

Mr. CARVELL: Getting business generally, he said.

Mr. MEIGHEN: The hon. member for Carleton, in the course of his speech, repeatedly referred to the money as being voted this man for the purpose of getting government business. I noted it in his remarks, and gave him credit for not wanting to quibble over so small a matter as the rest of the business which the company secured. The evidence was clear a year ago, and is doubly clear now, that the money was voted for that purpose to Miller by the company, Miller does not dispute it in any part of his testimony, and the member for Carleton expressly admitted it in his speech this afternoon. Furthermore, Miller confirms the evidence of Bain that in all the years following the resolution to pay him this money, and up to Miller's severance from the company in June, 1911, the total business secured by the company, aside from its business with the late Government, was not over $2,000. That their business with the late Government was about $119,000 was the evidence of Bain, but, according to Mr. Miller, the amount was about $117,000. Surely, therefore, it is doing no justice to the intelligence of this House to say that the money was voted for any other purpose than to secure government business. I state again so that my position so far cannot be misconstrued:—It is quibbling and worse than quibbling to endeavour to raise an objection to the motion on the ground that part of this money might have been voted to secure anything else than government business. It was government business they were after; such was the evidence of Bain, and such was the evidence of Miller; and I quote from Mr. Miller when I say that practically all the business that the company did during his presidency, and subsequent to that resolution, was government business, and it was that end to which they directed their efforts. But the hon. member for St. John says: 'Be it so, there is no evidence that Miller ever paid the money.' He says further that Miller's counsel comes to the Bar of this House and asserts that there is embodied in the question put to the witness a wrong and a false allegation, in that the question assumed that Miller stated that he paid that money at all. I presume that I state fairly the position of the hon. member for St. John; if I do not, he is not so modest as to refrain from interrupting me.

Mr. PUGSLEY: It is not exactly as my hon. friend puts it. The question makes an assertion to the witness that: 'You swore that you paid the sum of $41,026 for the purpose of securing government business.' My statement was that there is no evidence before the Public Accounts Committee which warrants that statement in the question.

Mr. MEIGHEN: It would take a mind quite as astute as that of my hon. friend to see the difference between that and what I said. The hon. gentleman stated that Mr. Miller's counsel came to the Bar of this House and asserted that there was a false

allegation in the question, in that it alleged that Miller had stated that he paid that money. That is correct, is it not?

Mr. PUGSLEY: No. The counsel stated that the question alleged that he paid that money for the purpose of securing government business.

Mr. MEIGHEN: And the hon. member stood in his place in this House and said the allegation that Miller paid the money at all, or said he paid it, was false, and in this he was supported by the hon. member for Carleton.

Mr. CARVELL: Will the hon. gentleman show me any part of the evidence in which Miller says he ever paid out a dollar of it?

Mr. MEIGHEN: I will come to that too soon for the comfort of my hon. friend. The hon. member for St. John was in that statement corroborated by the hon. member for Carleton. But the elevation to which the hon. member for St. John ascended was even higher than that. He stated that there was a question of veracity as between Miller and his counsel on the one hand and the hon. member for North Grey on the other in that the counsel for Miller had stated that there was no allegation in Miller's evidence that he had paid the money at all, and that, so far as his evidence went, it was quite consistent with his never having paid the money. He put the hon. member for North Grey against the counsel for Miller on this question, as he called it, of veracity. But no reasonable man can read the evidence before the Public Accounts Committee and come to any other conclusion than that the allegation that the money was paid is perfectly justified. In the first place, there was no assumption, either in the questioning or the answering, that the money was not paid; every question was built upon the assumption that the money was paid, and, when Mr. Miller declined repeatedly to deny that it was paid, commonsense would certainly lead to the conclusion that he had paid it, and that that was the impression he desired to leave with the committee. Let me call attention to a question put by myself in the Public Accounts Committee and answered by Mr. Miller. This question is a part of the records of the House; the whole evidence was laid on the table on Friday last and has been before the hon. member for St. John and the hon. member for Carleton for almost a week.

Q. Your travelling expenses and other expenses were paid besides that? A. Yes.

Q. And you gave vouchers for them? A. Yes.

Q. But for this money that you spent to get business you gave no vouchers? A. I initialled only in the cash book of the company.

From these statements, who could draw any other conclusion than that Mr. Miller intended the committee to believe that the money was spent as alleged in the question? Allow me to state also that Mr. Miller's counsel came before the Public Accounts Committee and distinctly repudiated any allegation that the money was not spent. Further than that, Mr. Miller came before the House of Commons to-day and repeated the repudiation of any such allegation, because he stated that he had been guilty of nothing criminal. If he had not spent the money he had appropriated what was not his own. In what part of the evidence can it be found that the allegation that the money was not spent is repudiated? I refer to page 11:

Mr. Chairman: I think it is only fair that you should have the right to state the grounds upon which you refuse to answer the question, but I understand the witness has already given those grounds, and that he has said that he has not paid that money to any government official or member of Parliament.

Mr. Meighen: No, the grounds advanced by the witness are that it is under litigation.

Mr. Harvey (Counsel): The witness has not said that he did not pay the money.

Mr. German: The witness did not make that statement

Mr. Chairman: The witness admits that some $41,000 odd had been paid for securing Government business to the extent of $117,000, then we asked him to whom these payments were made and he refused to say.

Mr. German : On the advice of his counsel, I suppose.

This assumption of the witness was not repudiated, and it was acquiesced in by every possible means that the money was paid to someone. Furthermore, Mr. Miller states in his last remarks to the committee:

Well, Mr. Chairman, I started to give these reasons some time ago and you told me to sit down. In connection with the litigation now on in Montreal, my reason—or rather an additional reason—for not giving the destination of that money is this :

And he proceeds to give the reason why he would not give the destination of that money. If the money had no destination, how could he have referred to it in such a manner? The hon. member for St. John states that it is now alleged by counsel for Mr. Miller that there is a false allegation in the statement, in that it affirms that Miller stated the money was paid. I was surprised at the time to hear this statement on the part of the hon. member for St. John.

Mr. PUGSLEY: I rise to a point of order. What I stated was that there was not a particle of evidence before the committee to justify the statement contained in the question that Miller had sworn that he had paid $41,026 for the purpose of securing government business. That is what

I said, and that, Mr. Speaker, is what I repeat, and if my hon. friend will carefully read the evidence he will see that I am absolutely correct.

Mr. MEIGHEN: The hon. member made the statement, he says; but he also made the further statement that counsel for Mr. Miller had stated, and put himself in opposition to the word of the hon. member for North Grey, that there was no allegation in the evidence of Mr. Miller at all that the money had been paid. The hon. member affirms that?

Mr. PUGSLEY: No, the hon. member does not affirm that. What I say is that Mr. Harvey stated, if my memory serves me aright, that the question fallaciously alleged that Mr. Miller had sworn before the Committee on Public Accounts that he had paid this sum for the purpose of securing government business. That is what Mr. Harvey stated, that is what I repeat, and it is upon that ground that I say the question put through you, Mr. Speaker, to the witness, contained an absolutely false allegation.

Mr. MEIGHEN: The hon. member cannot escape by quibbling so long as I am on my feet and have my reason about me. The question is in two parts: First, was the money given for government business? Was that ever denied by him, or did he assume it was? He assumed it was, distinctly, and said so in his evidence at page 5. The hon. member took that up, and went on further to discuss whether or not there was evidence to support the allegation in the question that Mr. Miller had alleged that it had been paid at all, and he distinctly stated and repeated time and again before this House that there was no such allegation, and that counsel for Mr. Miller had denied the truth of the implication in the question that Mr. Miller's evidence supported the paying of the money. I have taken the trouble to procure from 'Hansard' their transcript of Mr. Harvey's statement before this House, and I shall read that to the House just as it came from 'Hansard':

Mr. Harvey: Mr. Speaker and hon. gentlemen: I appreciate the indulgence you have given to my client, Mr. Miller, and I ask the privilege of speaking very briefly. I wish, in the first place, to call the attention of the House to the fact that the question as it is put has a tendency to put in Mr. Miller's mouth words that he never uttered at all. What Mr. Miller did state before the committee and what he stated in court was that during the four or five years that these transactions with the Diamond Light and Heating Company were going on he had paid the sum of $41,026 in connection with getting business for the company.

He had paid the money; so where does the allegation of the hon. gentlemen drop when they state that Mr. Harvey is telling the truth when he asserts that Mr. Miller had never given evidence that he had paid the money at all? And if hon. gentlemen can find, despite the evidence of Mr. Miller, any consolation in the fact that $2,000 of business was got from someone else and the $117,000 or $119,000 from the Government, they are welcome to that consolation. But I apprehend I am within the mark when I say that the whole profits within these five years coming from anyone outside the Government would not pay a very large proportion of the $41,026—would scarcely be enough to buy Christmas cards for their other customers. It appears, then, from the evidence given here and read before this House—it appears from the plain, honest admission of the hon. member for Carleton (Mr. Carvell), that the money was paid to Mr. Miller, and its purpose was to get government business, combined with the statement read before this House just now, made by Mr. Harvey, counsel for the prisoner, that the hon. member for St. John (Mr. Pugsley) was doing something derogatory to his own dignity as a member of this House, and doing no justice to Parliament itself, when he asserted that there was any question of conflict of evidence, any question of veracity as between Mr. Harvey and the hon. member for North Grey (Mr. Middlebro). There could be nothing clearer in substance than that every allegation and imputation which can be drawn from that question as put is supported by the facts in every particular.

Now, what remains for this House? We are now called upon to discharge a solemn duty in deciding whether or not we shall proceed further with Mr. R. C. Miller, at the Bar of Parliament. What is Mr. Miller's record in that regard? A year ago he was summoned to give evidence, after other members of this company had given testimony to the effect that some $42,000, according to Mr. Bain, had been paid to Mr. Miller for the purpose of getting government business. He is summoned, and the summons is served upon him. He refuses to come. In his own words, he ignores the summons of the committee, and he remains somewhere where processes cannot get him. This is reported to Parliament. A warrant is issued, and during all the remainder of the time that Parliament sat it was impossible for the officers of this Parliament to find Mr. Miller to serve him with the warrant. That was the record during the session of a year ago. The matter is now resumed; he is brought before the Public Accounts Committee; he declines to give evidence before the Public Accounts Committee, which that committee has a right to receive. I affirm again that the evidence which he is asked to give is

evidence which on every precedent, in every regard for the public interest, the Committee on Public Accounts is entitled to receive. I submit that the Public Accounts Committee is beyond all cavil and doubt entitled to trace the destination of that $41,000, and that it is not enough to aver, in the bald language of Mr. Miller, that he did not pay a dollar to a member of Parliament, a senator, or an officer of the Government. It would be possible for Mr. Miller to pay that money in a thousand ways that would be a breach of privilege, that would be corrupt, and still have his statement true, and it is further possible that cross-examination might bring out the fact that the statement was not true.

I was astonished this evening to hear the hon. member for Carleton (Mr. Carvell) argue that it was the duty of this Parliament to discharge Mr. Miller from custody and await the result of litigation in Montreal. I was astonished beyond measure to hear it, and why? Because the hon. member is the very gentleman, lawyer as he is, who stood before the Public Accounts Committee and asserted that the litigation of Mr. Miller had nothing to do with his answering questions. I will refer him to what took place there. It is found on page 8 of the report of the Committee on Public Accounts. Mr. Carvell had argued at some length that Mr. Miller was bound to answer, quite irrespective of the litigation. Then the report goes on:

Mr. MEIGHEN: Your position is that the litigation in the courts of Montreal does not affect us, but the whole province of this committee is to inquire whether or not public servants get money?

The House will apprehend the question.

Your position is that the litigation in the courts of Montreal does not affect us, but the whole province of this committee is to inquire whether or not public servants get money.

Mr. Carvell.—Public servants or public men, or whether there has been anything wrong in connection with obtaining this business.

Mr. Meighen.—That is, the committee has not the general power to inquire into what Miller did with the money?

Mr. Carvell.—That is my position.

Mr. Meighen.—Regardless of litigation.

Mr. Carvell.—That is the ground.

And this is the hon. gentleman who to-night comes before this Parliament and asks that the request of Mr. Harvey be granted, and who calls upon the Prime Minister of Canada to discharge the prisoner at the Bar, to let him go at large, and to await the end somewhere in the distant future when he gets through with his litigation in Montreal. It was argued then, and it is argued again to-night, that all this House is concerned with is to ascertain whether or not senators and members of Parliament, or servants of either House, got the money. That was argued also by the hon. member for Carleton before the Public Acounts Committee. He has not changed that part to-night. He affirms the position which he took then. But a year ago, when this matter was up before the Public Accounts Committee, the hon. member for Carleton was the very gentleman who asserrted that the general power of inquiry into the destination of that money was a matter for the Public Accounts Committee. I shall quote what the hon. member for Carleton said. I find it on page 38 of the evidence in the report of the Public Accounts Committee for 30th March, 1912: Mr. Carvell discussing at the time a question which had been put to one of the directors, Mr. Morrison as to what took place at the directors' meeting said:

I do not think this witness has come here to give evidence as to reasons. We are here inquiring about what became of this money, and surely my learned friend is not going to ask this Committee to allow him to give evidence as to what took place in the meeting.

Later on the hon. member for Carleton, N.B., at the same sitting, made use of the following words:

We have not any objection whatever to getting all the evidence you can bring, or all the witnesses you can bring, who know about the paying of this money.

So that it could not have been defined in any clearer or stronger language than the hon. member for Carleton, N.B., used a year ago, that that committee had undoubtedly power to inquire into the destination of the money.

Mr. CARVELL: Was there any evidence at that time of any litigation pending?

Mr. MEIGHEN: The hon. member for Carleton, N.B., is himself authority for the statement that the litigation did not affect it; so that we come to this point, with no shadow of doubt—and surely I did not need to quote any authority before this Parliament in support of the assertion—that as regards the destination of the money paid to get $117,000 of government business, even if you add $2,000 for some other business, this Public Acounts Committee and this House, have not only the right, but the duty cast upon them, to find out where that money went. So that the question is a proper one; no implication, no statement, no allegation, no interrogatory in it that could be objected to by any reasonable man. But, says the hon. member for St. John (Mr. Pugsley), ex-attorney general for the province of New Brunswick: I object to that question, I object to forcing this witness, Miller, to answer, because

the question is a leading question. And he referred in terms of scorn——

Mr. PUGSLEY: I said a leading one. and a false one.

Mr. MEIGHEN: There are many members of this House who are practitioners at the Bar. I do not address myself to them; it would appear to them too ridiculous for discussion. I address myself to the laymen of the House; for who does not know why a question is objectionable on the ground that it is a leading one? There is a rule against leading question put by counsel to their own clients or witnesses in the box, and the ground of objection is that it suggests to the witness the answer to the question; it makes the answer easy for the witness, and leads the witness to understand what counsel wants as an answer. Is that the objection to this question? We have had the spectacle of the ex-Attorney of New Brunswick, a distinguished lawyer, without a doubt, standing in Parliament and asking this Parliament to exonerate a recalcitrant witness because, forsooth, the question is too easy for him and the answer to same too plainly suggested.

Mr. PUGSLEY: I rise to a point of order.

Some hon. MEMBERS: Order, sit down.

Mr. PUGSLEY: I rise to correct my hon. friend. I did not say that the question was objectionable simply because it was leading. I said it was objectionable because it was leading, and also because it contained a statement purporting to be a statement of fact, which was false.

Mr. MEIGHEN: That is exactly what I stated the hon. gentleman said. I took up both his reasons, first that it was false. and next that it was leading, with what success I leave the House to judge. It is affirmed, in rather hesitating language no doubt, but none the less it is affirmed by hon. members opposite that we have not the power to act as we are now undertaking to act, or as we are asked to act by the hon. member for North Grey; that we have no power to commit this man to the common jail of the county of Carleton. I am free to admit that in the history of Canada since Confederation there has not been a precedent for committal to jail. Since the year 1867, when our present Constitution was granted, there has not been a case of committal, for the simple and obvious reason that there has been no instance of a witness defying this House. But while there has been no precedent for committal, there has also been no precedent in this House, or any other precedents that I have been able to trace, for any witness coming before Parliament and defying its request, and persisting in that defiance day after day; no precedent one hundred years ago, or ten years ago, or at any time in the history of the British Parliament or this one, but the Parliaments of the provinces of Canada before Confederation without question, to commit to jail witness witnesses who refused to answer questions. After being given every opportunity to answer, they were, I say, repeatedly committed to jail by the Parliaments that preceded the present House of Commons. Furthermore, in the Old Land, in the Imperial House, from the earliest days to the present, each time a case such as this has arisen, the witness has been first of all committed to custody and afterwards committed to jail. In some cases he has been committed to the tower, in other cases to His Majesty's jail at Newgate or to other public prisons, he has been committed. The authorities go to show that the Imperial Parliament, at all events, had power to commit a prisoner such as this to any common, or as it is stated, to any public jail. In this connection I shall quote first of all the authority frequently referred to in this House, Bourinot. At page 158 he says:

It is clearly established that the power of commitment for contempt is incident to every court of justice, and more especially belongs to the Houses of Parliament as essential to the maintenance of their undoubted rights and privileges;—that it is incompetent for other courts to question the exercise of the privileges of the Houses of Parliament in a commitment for an offence which they have adjudged to be a contempt of those privileges; —that they cannot inquire into the form of the commitment, even supposing it to be open to objection on the ground of informality; that when the Houses adjudge anything to be a contempt or a breach of privilege, their adjudication is a conviction, and their conviction, in consequence, an execution.

If we have here the power to commit, surely we have the power to commit to some place designated by the Criminal Code the statue of this House, for all parties committed by competent authority, to the common jail. We have the power, hence we are a competent authority and hence, under the code, the proper place to commit is the common jail. I quote May:

The power of commitment, with all the authority which can be given by law, being established, it becomes the keystone of parliamentary privilege and contempt; and if the warrant recite that the person to be arrested has been guilty of a breach of privilege, the courts of law cannot inquire into the grounds of the judgment, but must leave him to suffer the punishment awarded by the Commons House of Parliament by which he stands committed.

But, I refer more specifically to another great authority on parliamentary powers

and procedure, 'The Law and Practice of Legislative Assemblies' by L. S. Cushing. I refer you to him first at page 401:

When a witness refuses to answer the questions which he is directed to answer, or to produce a paper or other document, the proceeding against him is intended not only as a punishment for his contempt, but also to compel him to obey the order. For these purposes a contumacious witness is usually committed, in the first instance, to the custody of the Sergeant-at-Arms.

That is our proceeding now.

If this fails to induce him to submit himself to the order, he may then be committed to Newgate, or some other public prison.

Could words be more clear or general? That is undoubtedly the privilege of the Imperial usages of Parliament. They can commit to any common jail or public prison. The question arises: Has this Commons of Canada a power commensurate with the power exercised by the Imperial House? I affirm it has. By section 18 of the British North America Act, this House is empowered to establish its immunities and privileges on any status it cares to by Act of this House, provided that it cannot establish immunities and privileges higher than those enjoyed by the Imperial House. And by section 4 of the Parliament Act, it was enacted that the House of Commons of Canada should thereafter enjoy all the immunities and privileges enjoyed within the Imperial House. This Parliament is now clothed and vested with every privilege requisite to control its procedure which has been vested in the Imperial Parliament. There can be no doubt as to the power of this Parliament to commit and if it has the power to commit, it has the power to commit the same as the Imperial Parliament has, namely, to the common jail and the Criminal Code reaffirms that all commitments legally made by a proper tribunal are to the common jail. There can be no reasonable doubt at all in my mind as to this in so far as I have been able to investigate it and I make no pretence that I have not had time enough. I have had a week in which to do it and, on the authorities I quote, not on my own authority at all, I ask this House to come to the conclusion that it is the undoubted right of Parliament to commit this man and to commit him to the common jail.

It is not only competent for but clearly the duty of this House and for this reason: On the 17th of this month we passed an order that Mr. R. C. Miller be asked a specific question, namely, the question that he has been asked to-day. Then was the time for any hon. member of this House, according to all precedent, to object to the form of the question if he had such objection, and any hon. member who sat in this House and voted for that motion, as all did, is stopped, by all the rules of common sense from afterwards saying that he objects to the form of the question. Hon. members then gave assent to the purpose of the question and the form in which it was put. The witness comes here; surely after he gives his answer, or rather, after he refuses to give his answer, is not the time to object to the form of the question even could a valid objection be made. I affirm that hon. gentlemen are too late and I affirm, moreover, that had they raised an objection in time, there is obviously nothing in it at all. Here a witness stands defying this House, saying that the House can order what it likes, he does not require to submit and his counsel can come and ask that, having done that, he be discharged from custody and this House surrender to the pert dictum of its own prisoner.

Mr. Speaker, the only question we can discuss now, beyond what I have stated is this: Did he give sufficient reasons to this House to warrant us in moderating our course, to warrant us even adjourning this matter to ascertain whether or not it was our duty to commit him to prison? What are his reasons? When we strip his statement of all its verbiage, when we strip it of its self-adulation, when we get down to any bare semblance of reason what is it?—because I have litigation pending in Montreal, I have civil rights in dispute, I ask this House, as the highest court in Canada, to wait until I have disposed of these actions. If that is to become the rule of this House then all a witness has to do at any time when he is summoned before this Parliament is to start a suit against somebody in relation to the matter in question and forthwith he will be discharged from any obligation to the House. If he does not care to start a suit himself, all he has to do is to get a friend of his to start one for him and then we will have hon. gentlemen opposite getting up and saying that this is ample reason for discharging him from the custody of Parliament. A more absurd position or one more derogatory to the honour of Parliament could scarcely be imagined. To cite authority again: I would refer the hon. member for Carleton, N. B. (Mr. Carvell) to Cushing, page 397:

It has already been seen, that a witness before either House of Parliament cannot excuse himself from answering any question that may be put to him (with a single exception presently to be noticed), on the ground that the answer would subject him to an action; or expose him to a criminal proceeding; or be the means of divulging the secrets of his client communicated to him in professional confidence; or be in breach of a judicial oath, as a grand-juror; or of

a voluntary oath, as a Freemason, or the like, some of which would be sufficient grounds of excuse in a court of justice. This difference, between proceedings in Parliament, and in the ordinary courts, has been established upon grounds of public policy, and is considered to be fundamentally essential to the efficiency of a parliamentary inquiry.

In other words that even what would be an excuse in a court of justice would be no excuse before this House. What is the reason alleged by Mr. Miller and will it be taken cognizance of in a court of justice? Why in any court of justice it will be looked upon as ridiculous to say that because he has a civil suit pending in some inferior court or in any other court, he should be excused from giving evidence. It would not even be alleged in a court of justice, but here, Sir, is the authority for the assertion that, even if he could allege it in a court of justice, he cannot allege any such reason before the first court of the country, the Parliament of this realm, the grand inquest of Canada.

The hon. member for Carleton (Mr. Carvell), having exhausted what he could say on the points already discussed, comes to this House and asserts that, even though we have the power it is an antiquated one; that it is a relic of the barbarism of a century ago. He calls upon us to rise in our dignity and absolve ourselves from its exercise. What would be the position? A century ago he says is the last time this power was exercised. I affirm that it has been exercised repeatedly, exercised in the lifetime of the hon. member for Carleton himself. Commitment to jail has been exercised repeatedly by the Commons of Great Britain. The last case I can find was in 1879, when one Grissell was committed for contempt and was subjected to imprisonment in Newgate. That is not so very long ago. I stand here and say that so far as I have been able to find, there has been no case since and no case before when any man stood and refused to answer, and after having been directed to answer, after being given every chance to answer, still refused, persisted in his defiance, and was not committed. It has been stated here, as I said a moment ago, that it would be a cruel imposition on this man. What is the result of reasoning like that, to say that a man can bid defiance to this House, can commit the plainest possible breach of privilege, can be guilty of the most open and flagrant contempt and still be absolved from punishment? Where would we be? The meanest court in this country if it can be said that any court is mean, the court in this country of the smallest jurisdiction has power to commit to prison for contempt. We have vested the county courts; we have vested even the police courts; we have vested our higher courts all with the power to commit for contempt of the privileges and of the dignities of those courts. Is this House of Commons, the first court of the realm, to take the position of delegating to the smaller courts of Canada the power to commit to prison for contempt and to withhold it from the House of Commons itself? If there is any way whereby this House could abdicate the functions that constitute the first reason of its being, any way that we could abdicate the duty we owe to the people of this country that would be more flagrant and more disastrous than that, then I would like to have it suggested. It would mean the dissolution of our powers of inquest altogether. We have no recourse now except that of imprisonment. We either have to imprison him or to say: Go on, conduct your case as you like; do not answer if you choose; our powers are exhausted; you can stay in this House in the custody of the Sergeant-at-Arms or, as the member for St. John (Mr. Pugsley) says, you can go free altogether. Our powers are exhausted; if you do not want to answer, you do not have to. It would be stripping Parliament of its powers of inquiry; it would rob the Committee of Public Accounts of all the weapons it has heretofore used in the public interest. It would in a word portray to the world the helplessness of this House. It would simply be proclaiming ourselves as swirling around here in aimless impotence instead of conducting our tasks and preserving our privileges and the rights of the people and inquiring into and ascertaining the facts as to the disposition of public moneys.

It is asserted that we should delay. It is asserted by the hon. member for Carleton that it would be doing an injustice to the dignity of Parliament if we pass sentence on this man. We are told especially that we should delay, because there has been no notice, because there has been no opportunity given to hon. gentlemen opposite to see what can be done in his behalf. Notice! Mr. Speaker, the hon. member for St. John, the hon. member for Carleton, would actually stand in Parliament and say that if the prisoner who appeared here this afternoon, had answered the question fully and completely, then it would be the duty of some member of this House to give notice that two days from now he would move that this man be discharged from custody. If notice was required in this case, certainly it would be in that. We did not know what he was going to say until he was brought before the Bar. We knew then what he said. Yet the hon. member for St. John would solemnly say that before we could move either to discharge or commit him, we ought to give two days' notice, so that they could get prepared. I ask this House out of deference to the duty we owe the people of this country, to preserve its dignity to-night, to pass sentence upon this man. The case

cited by the hon. member for St. John, the Maxse case, is surely not on all fours with this. It has not yet been reported. We do not know the particulars; but we do know that it was a case where a man alleged something wrong about a minister, but it was found out that he had no ground for the allegation and then he came before Parliament for sentence. So far as we have heard, it goes at least no further than that. His offence was committed and was done with; he could do not more than serve a punishment. Perhaps it might have been a fit case for the commiseration or compassion of Parliament. Is that case like this one? Here is a man who is asked to answer a question, who refuses to answer and thereby creates an offence, who is again asked and still refuses, and leaves the Bar of this House a recalcitrant witness refusing to obey the order of Parliament. It is a continuing offence until it is wiped out by his answer, we have no right to exercise compassion in his behalf at all; it is no case for commiseration; it is no case for compassion because it is a continuing and not a complete offence.

I have said now all I have to say. I believe we would be going backwards, I believe it seriously, if we should accede in the smallest degree to the request of counsel for the prisoner, and I believe the alleged reasons adduced by the two hon. members who have spoken on his behalf only make more clear the duty of this House to pass the resolution.

Mr. HUGH GUTHRIE (South Wellington): Mr. Speaker, if I might offer a few remarks on the motion, which is now before the House, I will say in the first instance that I am one of those who believe at all times in maintaining not only the dignity of this House but its power and its authority to the fullest. I am also one of those who are also inclined to treat a motion such as that which we have now under discussion in this House, with the utmost gravity and with none of the levity which has been indulged in by hon. members opposite.

Some hon. MEMBERS : Oh, oh.

Mr. GUTHRIE : And with none of the vociferous applause which was given the last speaker whenever he happened to make a remark that had the slightest trace of partisanship. When I consider that the House is at the present moment dealing with what to my mind is a very grave accusation, involving the liberty of the subject, and when I see as I saw a moment ago, four ministers of the Crown pounding their desks and vociferously applauding what I consider partisan statements, I do not think that hon. members sitting on the opposite side of the House are giving the matter that serious consideration, that non-partisan judgment, which the matter requires.

My hon. friend from Portage la Prairie (Mr. Meighen) has made what, from his own point of view, might be considered a clever argument in support of his contention that this man, this prisoner who today appeared at the Bar of the House, was guilty of a breach of the privileges of Parliament. If that be so, I would be the last to seek to shield the individual, and I would be among the first to say that the authority of Parliament must be maintained. But I have not been able, from the consideration which I have given to this matter—not the fullest I am free to say— to arrive at the conclusion that there has been that which this House should rightly consider a breach of its privilege. And if, indeed, there has been such, then the proceedings from the beginning up to the present time are most irregular. And in a case such as the present regularity, even technical regularity, is necessary, because all such proceedings should be viewed with the greatest strictness just as you would interpret or administer a criminal statute. I believe the hon. member for Portage la Prairie and the hon. member for North Grey laboured somewhat to-day rather in the hope that they might justify what, to my mind, would appear to be a rather glaring omission which they had been guilty of themselves when this matter was under discussion in the Public Accounts Committee. The hon. member for North Grey has the honour of being the Chairman of that important committee. I am not a member of that committee, and do not think I have attended it more than four or five times in the course of a dozen years. I heard nothing of the present matter when it was before the committee. I assume that the position of chairman of that committee is more or less a judicial position; at all events, it should be an absolutely non-partisan position. Until an hour ago, I had not had an opportunity of reading the proceedings of that committee on the 14th of February last when this particular matter occupied their attention. But, as I read the evidence, I was considerably astonished in the first place at what I might describe as a rather careless, ineffectual—certainly incomplete —method adopted by my hon. friend from Portage la Prairie in conducting the examination of the Witness, Mr. Miller, now the prisoner at the Bar. I have read the whole examination with the greatest care, and I say here that the most glaring omission occured on the part of the examiner, my hon. friend from Portage la Prairie. In no instance did he ask the witness, now the prisoner at the Bar, whether he had paid this money to anybody. There was not a question of that kind. The hon. gentleman said this evening that he inferred

from this statement or that or the other statement, or that the natural and only reasonable conclusion to be drawn from the whole examination was that he had paid that money to somebody. But, surely the first question which would occur to counsel—which would occur even to a layman not skilled in the law—would be to ask the witness the plain question whether he had paid money or not to anybody. But no such question is in that examination. Now, as I read down I am more surprised as I see the attitude of the chairman of that committee. Notwithstanding that omission, that glaring omission as I have described it, we see in the report of the proceedings of the committee at page 8, at the bottom of the page, the chairman thus delivers himself in reply to a statement of Mr. Carvell:

Not at all. The witness himself has deliberately said that he paid $41,000 in order to get $117,000 worth of business from the Government.

I ask my hon. friend the chairman to read that evidence now and say if the statement is correct or if the witness had really made any such statement.

Mr. MIDDLEBRO: The hon. gentleman must not forget that the witness and his counsel were both present and assented to that proposition.

Mr. GUTHRIE: I can only judge of what transpired in that committee by the printed record, and I have read every line of it. And from the first question down to the foot of page 9 the question was not asked the witness whether he had paid the money to anybody, yet the chairman says to Mr. Carvell:

The witness himself has deliberately stated that he paid $41,000 in order to get $117,000 worth of business from the Government.

I only mention this to show the state of mind in which the Chairman must have been when conducting this judicial investigation in the Public Accounts Committee. I go on further in this report until I come to page 11, when the chairman breaks forth in reply to Mr. German who had said that the witness did not make that statement:

The witness admits that some $41,000 odd had been paid for securing government business to the extent of $117,000, then we ask him to whom payments were made and he refused to say.

And up to that point the witness had not made the statement though the chairman on two occasions said he had. The question becomes an important one, in view of the privilege which has been claimed by the prisoner at the Bar, by counsel who appeared in his behalf. The plea made today was that litigation had arisen in connection with this very $41,000 odd as between Mr. Miller and the company of which at one time he was either manager or president.

An hon. MEMBER: Both.

Mr. GUTHRIE: There is the claim of the company against Mr. Miller and of Mr. Miller against the company pending in the courts of Montreal. Whether Mr. Miller paid or did not pay the money has a direct bearing on that litigation. If it be that Mr. Miller has not paid that money out to anybody, certainly, it will affect these issues in Montreal which are for an accounting for that very sum. It may be that Mr. Miller has not paid the money; he certainly has not stated so, nor was he asked the question. If he did pay it, then where does the interest of this House or this country arise? Was it paid to any member of the House or of the Senate, any member of the Government or any official, or was it paid in derogation of what one might call the good government of Canada, to advance political interests or otherwise? I submit that the House would have a direct interest in knowing these facts. But in the first place we should ascertain whether the money was paid at all, and the witness should have been asked that question as a foundation for the following questions put by the hon. member for Portage la Prairie at page 5:

Q. All you did is initial for the money on the cash book when it was paid by the secretary? A. Yes.

That refers to the $41,000.

A. Yes.

Q. My next question is this: Will you give the committee a statement of where you paid that money?

Not to whom, but where he paid it. That may be a nice distinction, but, in matters pertaining to the liberty or freedom of the subject, these nice distinctions are constantly evoked, and the courts constanly give effect to them. I submit that the question is a loose and a careless one. There was no foundation for it in the first place, because the witness had never been asked whether or not he had paid the money to anyone. The question to which objection was taken and an answer refused was—if this report is correct:

Will you give the committee a statement of where you paid that money?

That is not the question that was put by you, Mr. Speaker—at least if I read aright the question put to the prisoner as appearing in 'Hansard' of February 18 last, which was: 'To whom did you pay the sum of $41,000, &c. The other objectionable part of the question, as pointed out by the hon. member for St. John, was

certainly the concluding clause, which says:

As alleged by you on your examination before the Select Standing Committee.

The imputation being that Mr. Miller himself had stated on his examination that he had made the payments. From all I can gather from the report of what occurred during that meeting of the Committee on Public Accounts, Mr. Miller made no such statement, and I appeal in the matter to hon. members on the other side of the House—particularly to my hon. friend the Minister of Justice, who has had experience as judge of the higher courts, and who understands the manner in which the criminal law of this country is very strictly considered and administered. I would ask him if, upon a foundation in which there are embodied such irregularities and omissions, any man should in the first instance have been placed upon his trial? I trust that the hon. Minister of Justice will give the House the benefit of his opinion before this matter is closed, and will guide and direct us as to how to act in the matter. I would ask him to state fully and fairly to the House, and I have no doubt he will, what would be the procedure supposing that in the trial of an ordinary criminal case, a discrepancy of this nature arose as between informations and indictments. Would there not be amendments made in respect to the matter? The Criminal Code provides for that, and I would particularly point out the precise manner in which all charges must be laid and evidence adduced when the liberty of the prisoner is in question. That is the case here, and I submit to my right hon. friend the Prime Minister that there is a very marked discrepancy between the question submitted by this House to the prisoner at the Bar a couple of days ago, as well as to-day, and the questions which he refused to answer in the Public Accounts Committee. I do not deny for a moment that this House has the absolute power to compel a witness to answer any question, and I do not think that any privilege can be pleaded when this House deals with the matter by passing the necessary motion. But, after all, the power is discretionary, and the question is not whether we have the power to do it, but whether it is right and proper that we should take such action. For my part, having heard to-day the statement of the prisoner's counsel, I think the House should hesitate before insisting upon an answer to that question, unless it be shown that the public interest of Canada demands it, or that the public service has been in some way contaminated, corrupted or otherwise. Nothing of the kind, so far as I know, has yet been made public. Having regard to the statement made by counsel, would it not be exercising a fair and reasonable discretion towards this man, if the matter should be allowed to stand until his litigation has been settled? If, in answer to the question proposed to-day, the witness says he did not pay the money to anybody, then his action, which is based upon the question of account as between him and his company, will certainly be influenced by his answer. Have we any right to place him in such a position? On the other hand, if he says he did pay the money to this man or that man, might this not also furnish his opponents in that litigation with information to which they are not entitled up to the time of trial? I admit, of course, that if he has paid the money improperly, or for unlawful purposes, it is of vital interest to this House that it should be known, and the matter sifted to the very bottom.

Mr. LANCASTER: He should tell the truth in both cases, should he not; he should say the same thing there as here?

Mr. GUTHRIE: Decidedly, I do not know what the answer to the question will be; I am only assuming that the money has been properly disposed of, and am not supposing that he has been guilty in any respect with regard to it. Another point I would urge is this. We must bear in mind that our present deliberation is in the nature of a trial, and all we have to act upon is the evidence taken before the Public Accounts Committee and the statement made to-day at the Bar of the House. Our determination of this motion, if it is carried, will be in the nature of a conviction—a conviction which cannot be reviewed, and from which there is no appeal to any court in this country. I ask hon. gentlemen, have we given this matter sufficient consideration? Have we had time to consider it? How many hon. gentlemen of this House have read the evidence that was presented before the Public Accounts Committee? I am aware that probably twenty or thirty members of the House were in attendance at that committee——

Mr. CARVELL: Eight or nine.

Mr. GUTHRIE: My hon. friend says there were eight or nine present. How many of these hon. gentlemen who were present have taken the trouble to read the evidence and endeavoured to understand the question clearly? I am free to say that I only read the evidence at six o'clock, and I think I am well within the mark in stating that over one-half the members of the House have not acquainted themselves with the evidence that was given. In view of this state of affairs, I submit that this House is not in a position to pass judgment upon this person, whose rights and liber-

ties are involved. I contend that we should not determine this question at the present time, and I am sure that all fair-minded members of this House will agree that we should take time to consider this question. I think that the request tnat the matter should stand over for two or three days was a modest and reasonable one, and one which my right hon. friend the Prime Minister should have granted without any hesitation. I submit further that the whole process is irregular. I admit that this House has the power to commit in a proper case, but, Sir, if we do commit we must provide the machinery for taking care of our commitment afterwards; we should have the machinery complete or we should not exercise the power which is given us. I submit with a good deal of confidence that there is no machinery existing in Canada—and none has existed since Confederation—whereby we can take charge of a prisoner after commitment, unless within the precincts of this House. All the cases cited by the hon. member for North Grey were cases which occurred, I think, before the Union Act of 1840 was passed; cases in Upper Canada in which the legislature of that province had sole and exclusive control, subject to county and district interests, of the common jails; and the legislature against which a breach of privilege had been committed could certainly commit a delinquent to the jail under its own jurisdiction. So it is in Great Britain; so it it in those cases cited by the hon. member for Portage la Prairie, where the jails are under the jurisdiction of the House which commits.

The only prisons under the jurisdiction of this Parliament, so far as I know, would be the penitentiaries, and they are governed by our own Act respecting penitentiaries. Where are you going to put the man? The conviction should be a complete affair. I think the Prime Minister and the Minister of Justice agree in that. If we have not provided the machinery we should hesitate before we enforce even a power which we have and in this case I am satisfied we have not provided the necessary machinery. It may be that we should have done so but these cases are very infrequent, there has not been a single case, I understand, since confederation, so that probably it would be a useless expense if we did provide a place where those who are guilty of committing breaches of the privileges of this House might be confined after commitment. This resolution is in concrete form and will be a conviction when passed. It says the prisoner at the Bar shall be confined in the common jail of the county of Carleton. I submit with every confidence that the keeper of that jail has not the slightest authority to receive that prisoner. He will be taken there, I assume, under your warrant, Mr. Speaker. That jail is under the jurisdiction of the sheriff and of the county authorities and under the Act of the Ontaria Legislature which pertains to them. Judges of the county courts and the superior courts of Canada may make use of these precincts but so far as I am aware this Parliament has no right to do so, and the jailer of that jail cannot receive that prisoner on any warrant save that of a judge or magistrate having power under local Acts. Then the question comes: what will you do with your motion, your conviction? I submit that in its present form it is absolutely bad in form. It is a conviction against which there is no appeal and no court of review. Where the foundation is so defective, where the original procedure is so irregular, where there is a direct variance between the question submitted by you and the original question which he refused to answer, where the variance is so great, where there is no process to carry out our judgment should we pass judgment, should we under these circumstances exercise a discretion and say that this man should be committed? I do not believe that we should and I do not believe that the consensus of the House will be that we should and I deprecate more than anything else in this discussion the attempt to put some party cast upon the proceedings. We cannot glance over the proceedings of the Public Accounts Committee without noticing it, and the reason hon. members on the opposite side of the House laugh when I make that remark is because they did not attend the meetings of that committee and have not read the evidence. If they had they would not laugh, and if they have not they are not in a position to pass judgment upon this case. Why not give time for consideration?

I understand that the hon. member for North Grey (Mr. Middlebro) has given a spectacular or dramatic turn to the whole affair. I was surprised, before the answer was made by the prisoner, to find an interview with the Chairman of the Public Accounts Committee in the Evening Journal saying that this was not a matter in which there should be any compromise whatever. That was published even before the House had engaged in a discussion, or the question had been put this afternoon. These matters are, of course, the matters which do attract the newspapers and obtain the large headlines. The whole thing has become more or less spectacular, and I have no doubt that the hon. member for North Grey desired to be right under the spotlight; the day he brought this up, he had to come down to sit beside the Prime Minister in doing it. If anyone is to blame for the irregularity and inaccuracy of the proceedings and the

omissions, which were glaring in their first stages, I think the hon. member for North Grey and the hon. member for Portage la Prairie are the two members of the House who are most blameworthy.

Hon. C. J. DOHERTY (Minister of Justice): I quite concur in the remarks with which the hon. gentleman who has just taken his seat (Mr. Guthrie), began his address, in pointing out that this is a very serious question and one that should be dealt with without any tinge of partisan feeling. I so thoroughly agree with him in that that I shall refrain even from resenting the imputation of partisanship to hon. gentlemen sitting on this side of the House merely because of the fact that they applauded the very eloquent and to my mind very conclusive speech of the hon. member for Portage la Prairie (Mr. Meighen). We are dealing with a very serious question and we have a very grave responsibility. It is a very serious question, for two reasons, one of which has been pointed out by hon. members opposite, and the other of which they seem rather disposed to ignore. I must, however, do the hon. gentleman who has just taken his seat the justice of saying that he does seem to perceive the importance of this question resulting from the second reason to which I have referred. It is an important question because it does involve the liberty of an individual subject of His Majesty; but it is important also because it does involve the vindication of the authority of this House, composed of the elected representatives of the people of Canada. I yield to no man in my desire to protect the liberty of the subject, but I feel too—and I am glad to believe that all the members of the House, when they look at a matter of this kind, immediately realize—the importance of vindicating the authority of the people's representatives. We have to determine now a question which calls upon us to perform both duties: the duty of respecting the liberty of the subject in so far as that liberty is entitled to be respected and protected, as it always is, save in cases where the individual has brought himself under the law, and so is liable to be deprived of his liberty; and also the very grave duty of protecting and vindicating the authority of this House. I have difficulty in seeing how anybody can approach a question of that kind intentionally allowing his judgment to be swayed by partisan considerations, and discussion as to whether on one side of this House or on the other any hon. member is acting under the influence of partisan feeling certainly does not help us to reach a proper conclusion, and is something which therefore ought to be carefully avoided.

We have before us a question which originated on Monday last and a question which arose again to-day. For that reason it seems to me that the criticism of the hon. member who has just resumed his seat, of the manner in which questions were put, and the investigation generally carried on, before the Public Accounts Committee, is entirely irrelevant. If this motion is carried, and the person called to the Bar, is committed to jail, it will not be because of anything that happened before the Public Accounts Committee; it will not be because he stated before the Public Accounts Committee that he had paid out this money for any purpose, if he did say so. It will be purely and simply because on two occasions he declined to answer a question put to him by this House through its Speaker. To my mind, the whole question that we have before us, is, did this witness give us a satisfactory reason justifying his refusal to answer the question that was put to him by this House? If he did, he ought to go free. If he did not, unless the authority of this House is to become a byword, this House must have some means of enforcing an answer to that question, and it seems to me it is the duty of this House, if it has that means, to use it.

Now, let us see what are the reasons that are advanced to justify this person's refusal to answer. The party who stood at the Bar himself gave us his reason, and it is a most remarkable fact, in view of the objection which has been most strenuously urged to our committing this man for his refusal to answer, that in those reasons he did not suggest in the slightest degree that there was anything in the question of a nature to mislead him. The hon. member for St. John (Mr. Pugsley), who spoke this afternoon at great length, complained very vigorously that the question was a leading one, and he invoked that as a reason why this man was not bound to answer.

Mr. PUGSLEY: I rise to a point of order.

Mr. DOHERTY: I understand my hon. friend also said that it was false, that it contained a false statement. There were two grounds stated for his objection. I have not the slightest desire to misrepresent my hon. friend.

Mr. PUGSLEY: I thought my hon. friend had forgotten the first part.

Mr. DOHERTY: I suppose it will sound very presumptuous for me to say that I fancy my hon. friend, who is a consummate master of words, must have meant that the question was objectionable because it was misleading.

Mr. PUGSLEY: And because it was false.

Mr. DOHERTY: And because it was false. But in so far as he said that it was leading, intending, as I understand it, misleading, he must have meant that it was so because it contained a false statement. Now, looking at this calmly and quietly, is it not a most surprising thing that if that statement in the question, which is now invoked as a reason justifying the gentleman who stood at the Bar for refusing to answer, was untrue, it should never have occurred to that gentleman to say so?

Mr. PUGSLEY: His counsel said so.

Mr. DOHERTY: I am dealing for the moment with what the witness said in giving his reasons for not answering. Though I am willing to give the prisoner at the Bar the benefit of anything that his counsel says, I submit very respectfully that it was for him to give the reasons why he refused to answer. He was the party refusing, and he knew why he refused. His counsel might support that refusal by argument, but we are not concerned with the statement of his counsel. We have to weigh and determine whether what the witness said under examination is, or is not, a proper answer, or a sufficient reason for not answering the question which this House put. Now, as I said a moment ago, is it not surprising that, if this witness never said what is imputed to him in that question—he was brought here on two occasions to answer it, and appeared to-day with a written statement of why he did not want to answer it—he never repudiated, as a man naturally would repudiate, having made the statement which it is affirmed he did make? I do not say, if this was a well founded objection, that that would be a conclusive answer to it, but I do say that it is a most significant circumstance, tending to show that the witness understood that he had made that statement. He did not repudiate that he had made that statement that he had paid the money received. There is the further confirmation that his counsel, when he came to state why his client should not be called upon to answer, also told this House that his client did say that he had paid that money. It is true that he said he had paid it for the purpose of obtaining business generally. Here, then, are two persons who understood that the statement was made, that the man had paid the money, and one of those two persons is the prisoner upon whose behalf it is now stated that he should be held justified in refusing to answer the question because the statement was not true. Now, looking at this thing quietly, can we take that as a reason why the witness should be discharged? We find further that the hon. member for North Grey (Mr. Middlebro) and other gentlemen who were there, understood that the answers before the Public Accounts Committee, taken as a whole, justified the belief that the witness was conveying, or intended to convey, the idea that he had paid the money, and that the other facts brought out showed that if he had paid money to get business, the business got was business with the Government of Canada. I did not have an opportunity before dinner to read the evidence to see whether there was any statement by this man that he had paid the money to get government business. So far as I have listened to several readings of that evidence and I have listened very carefully and attentively—I have not heard those words read out in that form. But I have heard evidence that conveys to my mind—unless I am prepared without a tittle of evidence to find the man guilty at once of stealing the money—no other conclusion than that he got the money for a certain purpose and paid it out for that purpose. He must mean that; he said what amounted to that; he does not repudiate it, and his counsel thought that he had meant that he had paid the money. His counsel tells us that he had paid the money. My hon. friend from North Grey was not alone in that impression. But let us assume that the hon. member for North Grey was mistaken, and that the statement was not made and that there was not necessarily an issue of veracity between the hon. member for North Grey and the counsel, but that there was a different understanding of the effect of the testimony. It is argued that because the party putting the question made some erroneous statement of fact in connection with something the witness was asked to tell, the witness ought therefore to be excused from telling it. I have practised at the Bar and sat upon the bench for a number of years, and I must confess that that is an odd doctrine to me. I have heard an objection of that kind raised, and I have heard it supported, not quite as eloquently, but almost as eloquently and forcibly, as the hon. member for St. John (Mr. Pugsley) supported it this afternoon. But it always appeared to me, and in most cases it so turned out, that the argument was for the purpose of giving the witness just a little light as to what it might be wise for him to say rather than for the court. I have time and again seen such an objection over-ruled.

Mr. PUGSLEY: Suppose a question of that kind were asked of the prisoner, and my hon. friend were the judge, and suppose he knew that the question contained a false statement with respect to the evidence which had been given, would he not deem it his duty to correct counsel and to see that he did not put into the question

something which was false and not supported by evidence?

Mr. DOHERTY: That would depend entirely on whether what was so stated was or was not of a nature to mislead the witness in the evidence he was to give. It would, furthermore, depend on how far the court felt that it was an intentional misstatement, rather than a statement of what counsel, in perfect good faith, took the testimony that he had just been listening to to mean, assuming that there was ground on which a man might reasonably give that meaning to it. It is difficult to say that the hon. member for North Grey could not reasonably give the meaning to this statement, in so far as the money being paid was concerned, that was put upon it by the counsel for this man. With reference to its having been paid for the purpose mentioned, the witness makes no direct statement of it; but it does appear that this money was advanced to him for the purpose of getting business, and that he got $117,000 worth of business from the Government. We are, therefore, reduced to selecting one of two conclusions: Either this man means us to understand that he used the money to get that business, or he means us to understand that he embezzled it. I think that it would be utterly unfair for us to assume that the man embezzled the money. Surely it is a thing that we ought not to believe until it is proved. Then, what becomes of the assumption that we are asked to make, that, because he has not sworn in so many words that he paid the money, he never did pay it? But, assuming that this is a mistaken inference from the evidence, it is absolutely no reason why this witness should have refused to answer the question. The question is perfectly clear, perfectly intelligible. If the man did not get the money for this purpose, the question would be answered in the simplest possible way by the answer 'no.'

Mr. PUGSLEY: Suppose he had answered 'no,' would not that have been an admission that he had sworn to it before the Public Accounts Committee?

Mr. DOHERTY: I was mistaken in saying he could have said 'no' because the question was 'To whom did you pay it? If he had said 'no' he would not have answered the question. But it was stated that he had paid out that money for government business, and if he had said that he had or had not paid it to anybody, that would have been an answer.

Mr. PUGSLEY: Would not that have been an admission that he had perjured himself before the Public Accounts Committee?

Mr. DOHERTY: The hon. member says that before the Public Accounts Committee he did not swear at all.

Mr. PUGSLEY.

Mr. PUGSLEY: But the question says he did.

Mr. DOHERTY: At the Public Accounts Committee he is asked: 'To whom did you pay the money? you stated that you paid it for a particular purpose'? If he never made that statement, there is no such money. I do not want to argue about what answer he could or could not have made, but to point out that the question could not possibly be misleading. We have seen that man standing before the Bar, his answer to-day was carefully prepared; and I think we are justified in treating him as an intelligent man. I venture to say that no man of the simplest intelligence could have been misled by anything that was contained in that question, even if there had been an erroneous statement of fact contained in it.

Mr. LEMIEUX: Will you go as far as that?

Mr. DOHERTY: I do go quite as far as that, and it does not seem to me a very long trip.

Mr. LEMIEUX: That is a pretty broad statement.

Mr. DOHERTY: I am sorry that it has not made a favourable impression upon my hon. friend from Rouville, but I have not the slighest hesitation in making it. What further reason has been given us why we should not compel this man to answer? The purpose of this proceeding is not to act cruelly or savagely towards this man, but to compel him to answer. The reason which the hon. member who preceded me gave to us was what he claimed to be the irregularity of the manner of the questioning in the Public Accounts Committee. I am not concerned to defend the hon. and learned members who conducted that investigation, as they are perfectly capable of defending themselves. Whatever may have been the proceeding there is immaterial to us here. What we are concerned with is: did or did not this man refuse on Monday, and refuse to-day, to answer the question put to him by this House, and is he justified in that refusal, for the reason he gave himself, which was that his answer might prejudice his private business? He is being sued in Montreal to account for the money in question. He claims he will be prejudiced in that case. If it is true that he did not pay it out at all, it might be disadvantageous to him; but the people in that case should know what he did with it—that he embezzled it. I am rather surprised that the Parliament of Canada should consider itself interested in protecting a man from the prejudice that might result to him from his telling truthfully that he had kept for himself money that had been confided to him for any

particular purpose. I hardly think an argument of that kind would arouse any great sympathy in this House. If, on the other hand, the gentleman paid this money out, when he tells us how he paid it out he will be doing the very thing he has been asked to do; and the people interested, who I think have a right to know what he did with it, will find it out. That is where he is prejudiced. We have been asked, because of those two possible prejudices, to forego the right of Parliament to know what he did with that money, when the undisputed facts are that this man on his own testimony got $41,000 to get business with, that he got business, and that he got it with the Government of Canada.

Mr. PUGSLEY: And with others.

Mr. DOHERTY: And with others to the extent of $2,000. What proportion of $41,000 this gentleman used to get that $2,000 worth of business from the other people, anybody can figure out for himself. Some of the $41,000 he was holding for the purpose of getting business—and he got $117,000 worth of business from the Government of Canada—presumably was used to get that business. I am not saying that that is conclusive that he spent the money for that purpose. Perhaps he stole the money. I do not know; but the Parliament of Canada has circumstances before it now, surely justifying very grave suspicions that some of the money that he got to get business with was used to get the business that he got. With that evidence before the Parliament of Canada, giving rise to that grave suspicion, Parliament through its committee proceeded to investigate. On Monday that witness was passed over to Parliament and was asked the most pertinent question that he could possibly be asked, once he told us that he had got the money, the purpose he had got it for, and where he had got the business from, namely: to whom did you pay the money? Because it is asserted that he may lose some money in a civil suit by telling the truth here, Parliament is asked to say that it will make no effort to ascertain the facts, but will say to this gentleman: depart in peace. Surely if Parliament has any respect for itself, if Parliament has any respect for the duty it owes to itself—and when I say to itself, I do not say to us as individual members, but to that great institution, the House of Commons of Canada,—we who happen to be the members of that House, will not allow it to be published to the world that that House is perfectly powerless to ascertain a fact bearing so directly upon a matter, concerning which the already existing evidence gives rise to the very gravest suspicion that there was serious wrongdoing in connection with the business that was got from the Government of Canada. If that is not the kind of matter in regard to which Parliament should insist on its powers to obtain information, or at least to know what is carried on—

Mr. DEVLIN: Does the hon. gentleman, as Minister of Justice, say that the proper procedure for this House would be to commit the prisoner at the Bar to a provincial jail without the intervention of the Attorney General of the province, rather than to a Dominion penitentiary?

Mr. DOHERTY: Most assuredly I would say so in accordance with the law which says that nobody shall go to the penitentiary unless he is sentenced for two years, and unless he is convicted of crime by a court of the province or territory or district in which the offence is committed. I would most assuredly say that he should not go to the penitentiary.

Mr. DEVLIN: The term of two years imprisonment is under a law which is made by this Parliament, and which can be unmade by this Parliament.

Mr. DOHERTY: This Parliament may repeal that law; but so long as that law is on the statute book I venture to say that this Parliament cannot undertake to disregard the law by the commitment to a penitentiary of a gentleman who is brought before the Bar of this House.

Mr. DEVLIN: Then, where does the hon. Minister of Justice find a law either in the constitution, in the Criminal Code or in any criminal law of the province or of the Dominion authorizing this House to send a prisoner to a provincial jail?

Mr. DOHERTY: I will try to give the hon. member full information if he will allow me to finish the branch of the matter which I was at. I am quite willing to point out why I would send him to jail.

As I was saying a moment ago, if this is not the sort of case where, whatever power we may have to commit a man, and to whatsoever place we ought to commit him, we ought to exercise that power, I am at a loss to know what that case would be. As to our right to put this question and to have an answer to it, notwithstanding the fact that the party says that it would injure him in his litigation with other people, I may say that the courts of this country have dealt with that sort of reason as a justification for refusing to answer, and there are many cases with circumstances not dissimilar to those in this case. There was one case in which it was not a question of the power of Parliament to compel an answer, but of the power of a royal commission appointed under an Act of the Legislature of Quebec. That commission

was appointed for the purpose of investigating the circumstances under which a certain sum of money was paid which it was alleged had been paid to influence the action of the legislature. That commission had not gone very far in its operations before the principal witnesses, one after the other declined to answer one question or the other. One of the three witnesses declined for reasons largely similar to those invoked by the party here, to answer as to what he had done with a certain portion of the money which had come into his hands. The commission, under the powers that the legislature gave it, issued an order for the imprisonment of these recalcitrant witnesses. The witnesses applied to the court for a writ of prohibition, and got a writ of prohibition which was maintained in the court of first instance; but the Court of Appeal of the province of Quebec, which, if my memory serves me rightly, was at that time presided over by one of the greatest judges who ever sat on the bench, one of the greatest parliamentarians who ever ornamented the Parliament of Canada, Sir A. A. Dorion, decided unanimously that such reasons were absolutely insufficient, and maintained the rule ordering the imprisonment of the parties who refused to answer. There is a judgment of the Court of Appeal of one of our provinces, and with it I should think that everyman who would give even a few moments reflection to the practical consequences of maintaining the contrary doctrine would entirely agree. If the witness has nothing to say but, 'That is my private affair,' or, 'It will hurt me in my private business to tell you where I spent the money,'—money the spending of which is surrounded with so many suspicious circumstances, and all inquiry is to stop there—then, of course, the whole of the art of cross-examination might as well be abandoned, and we might as well accept the doctrine that we must take the ipse dixit of every witness in future.

Now, I come to the question asked me by the hon. member for Wright (Mr. Devlin), a question from which I infer that he shares the view of the hon. member for South Wellington (Mr. Guthrie), that there is some difficulty in the way of this man being committed to the common jail. The reason why this Parliament has power to commit this man anywhere is that, as has been pointed out already, under the British North America Act the Parliament of Canada has power to confer upon this House, such privileges, immunities and powers as may be determined by an Act of Parliament, subject only to the proviso that Parliament shall not confer upon either House any greater privilege, immunity or power than was enjoyed by the Parliament of Great Britain at the time.

Mr. DOHERTY.

Mr. DEVLIN: This is only a branch of Parliament.

Mr. DOHERTY: This is only a branch of Parliament—only the House of Commons; and what the British North America Act said was that Parliament could confer upon the House of Commons—only a branch—all such powers and immunities, &c., as it deemed fit, provided they did not exceed the powers enjoyed by the House of Commons in the United Kingdom at that time. And Parliament, composed of the Senate and the House of Commons, passed an Act, which is chapter 10 of the Revised Statutes of 1906, conferring on the House of Commons all the powers, privileges and immunities which the Parliament of the United Kingdom enjoyed at the time; and among these powers was the power to punish for contempt and for violation of its privileges, by imprisonment in the common jail, people who were guilty of such contempt and guilty of the violation of its privileges.

Mr. DEVLIN: The British Parliament has jurisdiction over the jails.

Mr. DOHERTY: Does the hon. gentleman ask me for authority for the proposition that the House of Commons in England has the power to commit to the common jail for contempt or for violation of its privilege?

Mr. DEVLIN: If the hon. gentleman will allow me, Newgate is under the jurisdiction of the Imperial Parliament, and provincial jails are under the jurisdiction of our provinces.

Mr. DOHERTY: I will come to that argument in a moment. I want to give the hon. member the source of our power, because when you want to measure it, it is well to bear in mind its source Newgate is a common jail in England, and the powers of the House of Commons in England are not limited to committing a man to Newgate; it can commit him to any other prison.

Mr. DEVLIN: Under the jurisdiction of the Imperial Parliament.

Mr. DOHERTY: It could commit him to any other prison in England.

Mr. DEVLIN: Under the jurisdiction of the Imperial Parliament.

Mr. DOHERTY: I do not wish to dispute with the hon. gentleman. There is only one Parliament in the United Kingdom.

Mr. DEVLIN: And several in this country.

Mr. DOHERTY: Of course, if the hon. member desires to know how I argue this out, perhaps he will let me go on.

Mr. DEVLIN. All right.

Mr. DOHERTY. As I was saying, the power the House of Commons had was to commit a man to any public prison in Great Britain;—if my hon. friend likes me to say it, I will add under the jurisdiction of the Parliament of the United Kingdom. That was the power that we obtained by the Act passed under the authority conferred on Parliament by the British North America Act. Now, what does the hon. gentleman understand by a prison under the jurisdiction of the Parliament of Canada, as distinguished from a prison under the jurisdiction of a legislature? The jurisdiction is one thing, and the power to legislate for the establishment, maintenance and management of a jail is another thing, The Parliament of Canada has jurisdiction throughout the Dominion of Canada in matters within its legislative powers. The hon. gentleman will be puzzled to find any provision in the British North America Act which says that a province has the exclusive right to say who shall go to jail; and the hon. member, who is a distinguished criminal lawyer, knows that the Criminal Code of Canada, enacted by the Parliament of Canada, is full of sections that say that people shall be liable to imprisonment for less than two years and that it furthermore says that everybody who is so sentenced shall be sentenced to the common jail. They go to the common jail in virtue of the law that this Parliament passed, because this Parliament has power to prescribe what shall be the punishment for violation of the criminal laws enacted by this Parliament. A province may say that certain people shall be taken to jail, but this Parliament has also the power to say that certain persons shall go to jail. That which is given exclusively to the legislatures is power to legislate concerning the establishment, maintenance and management of jails.

Mr. DEVLIN: But we are not legislating.

Mr. DOHERTY: That is another reason why we are not interfering with the provinces, because all the power they are given is to legislate concerning the establishment, maintenance and management of jails. That is their only exclusive power. If we were legislating about the regulation or management of a jail, there might be a great deal to be said against our power, but we are not legislating as the hon. member says. By the same Act, the power to provide penitentiaries was given to the Dominion of Canada. But a jail does not cease to be a jail because it was to be erected, maintained and managed by the province any more than a penitentiary ceased to be a penitentiary because the Dominion Parliament was going to manage it; and by far the larger part of the purpose of the penitentiary provided by the Parliament of Canada, is to receive the prisoners who are condemned by the courts of the province. So that it by no means follows that the body having the legislative power with regard to the establishment and management of these institutions, has the exclusive power to say who is to be put in them. As I have already pointed out, the Criminal Code is full of sections providing that men are to go to the common jail. and the common jail is under the jurisdiction of the provinces. We have the power to say—and we are saying it repeatedly—that persons violating our laws shall go there. The fact that the common jail comes under the control of the province does not alter the nature of the common jail, which is described in the old books as a place of detention provided for all sorts of prisoners. The reason why the Parliament of the United Kingdom, committed men to the common jail was that this was a place for all sorts of prisoners, not otherwise specially provided for. When the provinces became entitled to erect and maintain jails, that did not give them the exclusive right to say that only the people whom they admitted should go there. They were given power to erect and manage jails—that is to say, places for the reception and detention of everybody speaking generally, who was, under the law, liable to imprisonment. But here is a law in force in virtue whereof a person found guilty of contempt of this House is liable to be imprisoned; a person against whom the Speaker of this House issues a warrant ordering his imprisonment is a person condemned to imprisonment, and a person condemned to imprisonment within the limits of the province of Ontario. This being the case, he is liable to be sent to the place provided for people who are condemned to imprisonment. It does not make a particle of difference, if there is lawful authority in this House to condemn him to imprisonment, that the province has the duty of providing the jail. I do not know whether that carries conviction to the minds of hon. members or not, but I must say that it seems quite clear to me. If that is not true; if, because it is this Parliament which pronounces the sentence, the man who under the law of Canada is liable to imprisonment cannot be put in jail because it is established by a province, then I ask myself how and why a man who is condemned to imprisonment, even though it be by a provincial court, when he is so condemned for violation of a law enacted by this Parliament.

is liable to go to the common jail that the province maintains.

Mr. BUREAU: The law provides for it.

Mr. DOHERTY: The statute of this Parliament provides for it, and the objection is that this Parliament has no power to send a man to a provincial jail. I think the misapprehension upon which the objection rests is simply this. It is not realized that what the British North America Act did was simply to apportion the burdens of maintaining these different institutions, and not to change the purpose for which they were created. We have imposed upon us the burden of providing for what in the Old Country would be houses of correction—places for persons subject to long sentences—and the provinces bear the burden of providing for persons with shorter sentences, those held in detention to await trial, &c. They were given the duty of providing the common jails; we were given the duty of providing the penitentiaries, but that did not affect in the slightest degree the right of Parliament to provide that, as a penalty for a violation of its laws, a man should go to the common jail. That is, in effect, what Parliament enacted when it was provided that this House of Commons should have all the rights, powers and privileges of the House of Commons in England. One of these powers was to commit men for contempt to the common jail, and we, in effect, enacted that we had that power. In doing so we provided in effect that a man who was guilty of contempt of this House should be liable, upon the order of the Speaker, to imprisonment in the common jail, just as fully as in the Criminal Code we provided for instance that a man convicted of assault should be liable to be committed to such jail. That is the power the English Parliament have, and that is the power we have.

Mr. PUGSLEY: Why is it, if a man is committed to the common jail, the keeper of which is not an officer of this House, that the commitment is not made for a definite period, instead of its extending to the length of the session?

Mr. DOHERTY: The purpose of imprisoning this man is to get him to answer the question. This imprisonment will be just as long as this gentleman prefers rather to be imprisoned than to answer. If hon. gentlemen think that the purpose of this motion is to inflict suffering upon this man, they make a great mistake. The purpose of this motion is to try to make this man understand that it is a serious matter to refuse to obey the House of Commons of Canada, and to make him realize, and cause him by reason of his realization of that, to come forward and obey. The hon. member will notice that the motion does not fix the term absolutely as the period of the session. I have forgotten the exact wording of the motion, but I may say that it is open to anyone imprisoned as he will be under this motion to petition Mr. Speaker that he may be allowed to appear here at any time and purge his contempt and go free.

Mr. PUGSLEY: Does my hon. friend think that the limitation of imprisonment to the duration of the session of the House would be more applicable if the prisoner were committed to the custody of the Sergeant-at-Arms, instead of being sent to jail, the keeper of which is not an officer of this House?

Mr. DOHERTY: We might fix a term shorter than the duration of the session, but, as I understand, we could not fix a longer term. Our power is limited, and if we undertake to fix a term longer than the session, the man would be entitled to his discharge when the session ended. Then, on the other hand, we might commit him for a shorter period than this session. Without any intention to be vindictive or to inflict punishment, I think it is the duty of this House to use the power so far as it goes which this House has to compel an answer. And after all, that is the purpose. We have heard a good deal about sympathy and being magnanimous and letting this man go. Why, this man's imprisonment is his own doing, and will last as long only as he chooses not to obey the order of Parliament. He will not be punished, and I am satisfied will not be detained, one moment beyond the time when he will comply with the obligation which the law imposes upon him. Under these circumstances, with this unmistakable refusal to comply with Parliament's command for an answer to this question, which was put in our presence here, with what seems to me the clear power to enforce the obligation to answer,—a power which I have no doubt is absolutely unquestionable, and which carries with it the absolute duty of exercising it,—it seems to me that there can be no two opinions as to what the action of this House should be. Should this House fail to exercise the power so conferred on it for the purpose of enabling it to obtain the information which in the public interest it ought to obtain, this House will have failed very seriously in the performance of the duties which the constitution of this country imposes on it. So much for the point of view of our duty to Parliament and to the country which Parliament represents and to the maintenance of the authority of the people's representatives.

If you turn to the other side, so far as we are concerned with the sacredness of the liberty of the subject—and, as I said, no one would be more unwilling than I to unduly or unnecessarily restrict the liberty of the subject—we have the fact that this man is to be deprived of his liberty only so long as chooses to be contumacious, so long as he chooses to stand before the public of Canada, flouting the authority of the people's representatives, and telling them that his private interests are of greater importance than the great public interest of this whole Dominion of Canada.

Sir WILFRID LAURIER: I have listened with great attention to the able argument of the Minister of Justice, and I must say that except in one particular, I would be disposed to agree with him; but I am not sure that he has convinced me as to the power of this House of Commons to commit the man who was at the Bar to the jail of the county of Carleton or to any other jail in the Dominion. Mr. Miller was brought on Tuesday last to the Bar of the House. Under the advice of counsel he refused to answer the question put to him, and thereupon he was committed. I was a little surprised at the time that the counsel who assisted him made no objection to the motion for commitment, but at all events, he having uttered no protest against the motion, for my part I saw no reason why the motion should not be complied with. The motion which was passed at the time was that he should be committed to the custody of the Sergeant-at-Arms. To-day he is brought again to the Bar of the House and the same question is put to him and then another punishment, I think I can go so far as to say it is punishment, is inflicted on him in that he is removed from the custody of the Sergeant-at-Arms and sent to the common jail. I interpret this as a punishment. My hon. friend said a moment ago it is not the intention of Parliament to punish in this instance but simply to obtain an answer to a question which it thought it had the right to ask. So far I agree with my hon. friend, but when the House of Commons advances one step and removes the witness from the custody of the Sergeant-at-Arms and sends him to the common jail I cannot interpret that in any other sense than that it conveys a punishment. If it is not a punishment why not leave him where he is? My hon. friend will agree with me that there is a very great difference to the man who was at the Bar to-day in being under the custody of the Sergeant-at-Arms and being confined within the gates of a prison. There is an indignity to the public at large and to any man in being confined to a prison. There may be no indignity at all in being placed under the custody of the Sergeant-at-Arms because, as we know, some of the best men in the Motherland and in this country have been so confined for offences, if offences they were, which carried no indignity with them, and I repeat the statement of my hon. friend that this House does not intend and should not intend, at this stage at all events, to punish the witness. That is not within our province, that is not what we should look to. The only thing we should look to is to maintain the power and authority of this House. As to our power and authority to commit there can be no question whatever. This House, whether it acts rightly or wrongly upon the statement of fact we have before us, has the power to vindicate its own authority. This House has put a question to the witness. The question may have been misleading or not—that is not the point at the present time. This House has put a question and therefore has a right to obtain an answer. So far there can be no dispute. But let us go to the only point at issue at this time, the power to send this man to the common jail. The power to send to jail is within the four corners of the British North America Act. The power of this House to commit is not found within the four corners of the British North America Act. It is one of the inherent powers of any assembly such as this. It is agreed by Bourinot and all other authors who have been cited here to-day, that a body such as this would not have its power complete if it could not enforce the orders which it chooses to give. It gave an order to the witness brought to the Bar to answer and therefore, he having refused to answer, the House is within its sole power, without any written law at all but simply by the fact of its existence as a legislative body, the power to enforce its authority. Can the House go beyond and invade the statute to find the authority which my hon. friend has said it has. My hon. friend will agree I am sure that when it comes to a question of this kind, when the liberty of the subject is at stake the statute must be construed literally. If that is to be the case, and I believe it is, where does the sheriff of the county of Carleton derive his power to receive any prisoners? It is derived, as I said a moment ago, from the letter of the British North America Act. My hon. friend will agree with me in saying that the British North America Act, so far as it goes, and proud as we are of it, is full of inconsistencies, especially in the administration of justice. The administration of justice in this country requires the concurrent action of both the Dominion Parliament and the local legislatures. My hon. friend will not deny that. The courts exist only by concurrent action

of the local legislatures and the Dominion Parliament.

Mr. DOHERTY: Not all the courts. The Supreme Court and the Exchequer Court do not.

Sir WILFRID LAURIER: The provincial court in which my hon. friend sat was under the jurisdiction and concurrent action of the local legislatures and the Dominion Parliament. The local legislature establishes the courts. It is one of the anomalies which exist, and which we have discussed many times on the floor of this House, that while the local legislatures have the right to constitute the courts, they have not the right to appoint the judges. The judges are appointed by the authority of this Parliament, and therefore you have a concurrent action of the two powers in order to have a proper and efficient administration of justice. You cannot have it otherwise. It is an anomaly; I have had occasion to discuss it in this House before. But there it is, and we must abide by it. In the same way, in order to sanction the judgments of the courts, you have also the concurrent action of the local legislatures of the Dominion Parliament. The Dominion Parliament constitutes the offences; it has power over the criminal law. The jails exist, as a rule—there have been exceptions, though I do not have them at present in my mind—only for the carrying out of the criminal law.

Mr. DOHERTY: The right hon. gentleman will recollect that the jails exist to receive people who are committed for contempt, for refusing to answer before the civil courts.

Sir WILFRD LAURIER: I do not know that jails exist exactly for that purpose.

Mr. DOHERTY: They meet that purpose.

Sir WILFRID LAURIER: They exist as a sanction to the criminal law. The jails exist for the guilty. Of course the courts will take advantage of the jails to enforce their own decisions, but the argument which I offer to my hon. friend at the present time is, that the jail in its nature is simply a means of enforcing the criminal law, of punishing offenders; and there again, under our system, under our circumstances, it requires both the action of the Dominion Parliament and of the local legislature to give effect to the sentences of the courts. We have here in this Parliament the authority over the criminal law. This Parliament alone has the right to declare what are offences of a criminal nature. But the local legislatures have also the power to make penalties. They do not go beyond that. But in the nature of the case, the jail is there to give effect to our own legislation. So far, so good. My hon. friend's argument was that since it requires the authority of both the Dominion Parliament and the local legislature to correct offenders and to punish them, you might trace an analogy and say that this House of Commons has the right to use the common jail in order to give effect to its own decisions and authority. I would admit that argument except in a case of this nature where, as my hon. friend knows, the statute has to be construed absolutely strictly, because it concerns the liberty of the subject.

Mr. BORDEN: What statute?.

Sir WILFRID LAURIER: The Imperial statutes.

Mr. BORDEN: I do not quite follow my right hon. friend. In what respect does he think that it should be construed strictly. I am asking purely for information.

Sir WILFRID LAURIER: Upon the principle that wherever the liberty of the subject is concerned the statute is to be construed strictly. At the present time, as I said, we are not proceeding here under the authority of the Imperial statutes. We are proceeding here upon a totally different thing, upon the authority which is only inherent to this Parliament, to enforce its own decisions. This argument is technical. I admit, that this Parliament has no power except to commit, but not to commit as Parliament does in England. In England it is a very different thing; the authority of the British Parliament is the supreme law of the land. The British Parliament is the high court, the highest of all courts. Parliament is a court clothed with such extraordinary authority that at this time we should hesitate to enforce its jurisdiction. To-day we heard the opinion of Cushing to the effect that Parliament could compel a witness to give away even professional secrets, which a court of the land would not authorize. But here, we are not bound by any law. We can do just as we please, though I am sure Parliament would hesitate to-day before compelling a witness to give away any professional secret. We have not exactly the case which has just occurred in the British Parliament. We understand from the newspapers that Mr. Lawson was prevented from giving his authority simply by pleading, not professional secrecy, but editorial secrecy, a new privilege which the power of the press has introduced.

Well, I say, that we have to construe the statute strictly in this case, and if that be so, our authority is not paramount as is the authority of the House of Commons in Great Britain. The Parliament of Great Britain has the right, authority and jurisdiction over everything within the King-

dom. It has power over all the courts, and over the jails also. Everything comes under one jurisdiction. But here we have separate jurisdictions. It is not sufficient for my hon. friend to say, as he said a moment ago, that this Parliament with the legislature, has the power to regulate and provide for the expenditure upon jails, upon buildings, and so on. I do not think that under our system we have the power to establish courts. Perhaps we may have power to establish criminal courts of our own, but so far we have not done so, and so long as we use the machinery which we have at the present time, I doubt if we could transfer one jurisdiction to another, and say that because we can use the jails of the provinces for the carrying out of our own laws, we can also use the jails for the enforcing of the decisions of this House. For my part, it seems to me that the point is involved in so much doubt that the House ought to hesitate before it asserts so harsh and so drastic a decision as that which is now suggested. May I go further? My hon. friend this afternoon pleaded for delay. It seems to me that the request is not unreasonable. I offer these remarks in reply to the argument of my hon. friend (Mr. Doherty), a very able argument, and one upon which I sincerely congratulate him. He has put his case very clearly, but at this moment he has not absolutely convinced me by his argument, and I would say that under such circumstances it would be well for the House to pause before it authorizes so harsh a treatment, as it is proposed to mete out to this man. I do not know Mr. Miller, I saw him here for the first time the other day, I do not know who he is, but I assume he is a respectable citizen and it is a serious thing to send a respectable citizen to jail or to keep him within the precincts of this House. For these reasons it seems to me that my right hon. friend would be well advised if he would, in his discretion, take the matter into his further consideration.

Right Hon. R. L. BORDEN (Prime Minister): Mr. Speaker, I am sure that all of us, in approaching this matter, do so with the feeling and indeed the conviction that the very great powers which undoubtedly the House does assume in such matters ought to be exercised fairly, without passion, with a just regard for the liberty of the subject and also with an equally just regard for the public interest, which is very closely concerned with the subject which has engaged the attention of the House this afternoon. My right hon. friend (Sir Wilfrid Laurier) has spoken very dispassionately and very fairly in expressing the views which appeal to him in the consideration of this question. He said that the particular motion which now occupies the attention of the House concerns the liberty of the subject. It does concern the liberty of the subject in one sense, but I would like to remind the right hon. gentleman that even if this motion did not pass, the gentlemen who has been at the Bar of the House, would still be in the custody of the Sergeant-at-Arms and that this motion is merely concerned with the question of the place and manner of his custody during the time that he remains subject to the warrant which His Honour the Speaker has issued under the direction of this House.

I think my right hon. friend has very properly put to one side a great many considerations which have been urged there this afternoon. It may be proper, however, to allude to just one or two of them. As far as the character of the question which was submitted to this witness on Tuesday last and again to-day is concerned, I have been absolutely unable to follow the reasoning of hon. gentlemen who saw anything in the character of that question which would mislead, or embarrass the witness, or would prevent him from giving an answer to the question submitted to him by this House, if he had seen fit to answer that question or if he had desired to answer it. What was the question submitted to him? I have it now under my hand. The question submitted to the witness was this:

> To whom did you pay the sum of $41,026 for the purpose of securing contracts from the Government of the Dominion of Canada amounting to $117,000 or thereabouts, between the month of June, 1907, until you ceased to be president of the Diamond Light and Heating Company, Limited, in June, 1911, as alleged by you on your examination before the Select Standing Committee on Public Accounts on Friday, the 14th of February, 1913.

It has been argued by the hon. member for St. John (Mr. Pugsley) and by the hon. member for Carleton (Mr. Carvell) that, looking at the evidence, the question contained a mis-statement of fact inasmuch as it is alleged that the witness never did make any such statement as that before the Public Accounts Committee. I hope that I am stating the argument of these hon. gentlemen accurately, as I desire to do. What would be the duty of a witness who had submitted to the jurisdiction of the House if the question had contained such a mis-statement? Would it be the right or duty of the witness to say: I absolutely refuse to answer that question, and then to give reasons that, in my opinion, are absolutely and entirely irrelevant? No, Mr. Speaker, it would be the duty of the witness in a case of that kind, to answer, if it were a truthful answer, something like this: I did not pay that money for that purpose, nor did I so state before the committee. That would be the obvious and natural answer of the witness and no

one for one moment can say that there was anything in the nature of the question which would prevent the witness from giving that answer, if it were a truthful answer. Then, the mode of the interrogation of the witness would, after two or three questions, bring the matter to the exact point. He would be asked: Did you pay that money, or any part of it, for the purpose mentioned, he would answer 'yes,' or 'no,' and, if he answered 'yes,' then would follow the question: To whom did you pay it? But the witness adopted no such course as that. It was not in the mind of the witness or his counsel that he was in the slightest degree embarrassed by the form of the question.

I am not going in detail over the evidence, but every one who reads that evidence—and I have read every word of it since this debate came up—must be convinced that it was, in effect, substantially stated by the witness, although perhaps not in so many words, that that money was paid for that purpose and further that, over and over again in the course of the examination, it was stated in the presence of himself and his counsel and he took no exception to the statement, that he had paid the money for the purpose mentioned. It was so understood by the members of the committee, it was so understood by the witness himself, it was so understood by his counsel, and to-day, at the Bar of this House, his counsel stated that he did pay the money. Did the gentleman himself, when answering the question, seek to relieve himself from being pressed to answer this question by stating that he did not pay it at all? No, Mr. Speaker, on the contrary, he stated that he did not pay it to certain persons. Under these circumstances it does not seem to me that there is anything in the objections that hon. gentlemen have raised on that score. With reference to the reason which was given by the witness at the Bar and by his counsel that the disclosure of the truth as to the payment of this money would prejudice him, I fail to be convinced that there is any just cause to be found in that statement on account of which this House should delay its action. What possible prejudice could there be to this witness in stating to this House in answer to the question proposed by Mr. Speaker that he had paid this money to certain persons? What is the litigation in Montreal? What is the meaning of it? What is the occasion of it? As I understand it, an action had been brought against this gentleman by the company of which he was president demanding that he shall account for a sum of $41,000 and upwards which was paid to him according to his own statement for a particular purpose, at his request and on his allegation that the money was necessary to be expended for that purpose. An action has been brought against him to account for that money, and to refund such portion as has not been paid over by him for the purpose which he himself indicated in the first instance and for which he obtained the money. Is it possible that this witness could be prejudiced by any answer that he could give to the question proposed to him by His Honour the Speaker, by showing that he actually did pay the money to some person or persons unknown, when his whole defence to the action, as I understand it is that he did pay the money to some person or persons for the purpose on account of which it was entrusted to him in the first instance? If he really did pay the money for the purpose mentioned, in accordance with the desire and instructions of the company, he would be making good his defence instead of prejudicing it. Apart from that, the public interest is larger than any private interest; and whether or not this would or would not prejudice him in respect of the defence which he has to make in the courts of the country, it is perfectly competent, and not only competent but proper for Parliament to insist upon an answer, if that answer seems to concern the public interest of this country. The witness has on two distinct occasions made it perfectly plain to the members of this House of Commons that he refuses to answer this question and that he sets this House at defiance. I do not suppose any hon. member on either side of the House would admit for a moment that the functions of this House or of the committees of this House in respect of investigation of public matters could be properly exercised if witnesses were permitted to set at defiance, in the first place the committees of this House, and in the second place the House itself. We might as well abolish the Committee on Public Accounts if that is to be permitted. We might as well save ourselves the trouble of a motion in the early part of each session of this Parliament to appoint a Committee on Public Accounts, if that committee can be absolutely set at defiance by any witness who happens to come before it. Therefore it seems to me that it is necessary for this House to take action. This House has already taken action; this House has already ordered this witness into the custody of the Seargeant-at Arms pending the pleasure of this House. The motion which has been proposed by the hon. member for North Grey (Mr. Middlebro), seems to be, as I understand the practice, in acordance with that which is usually carried out in such cases. The witness has been brought a second time to the Bar of the House; the question has

again been proposed to him; and a second time he has set this House at defiance. The practice in Great Britain in such cases, as explained by my hon. friend from Portage la Prairie (Mr. Meighen), is this, that the witness continuing to be contumacious is ordered to be committed to one of the jails, usually Newgate, and the warrant of the Speaker issues for that purpose.

The only point on which my right hon. friend disagreed with the Minister of Justice was this, that he doubted the competency of this Parliament to order that witness to be committed to the common jail. It seems to me that the argument of the right hon. gentleman goes too far. I will come, however, to that in just a moment. I wish first to deal with an observation which was made as to the British North America Act. He says that the British North America Act, or the Act of this Parliament, I do not know to which he referred, perhaps he referred to both, must be construed strictly because this question now before the House has relation to the liberty of the subject; and in so far as it does concern the liberty of the subject, the statutes which govern the power alluded to are statutes which must be construed strictly. My right hon. friend has perhaps overlooked the fact that in the first place the British North America Act gave power to this Parliament to enact a certain provision, namely a provision that this Parliament and both Houses of this Parliament should have powers corresponding to, but not exceeding those of the House of Lords and the House of Commons of Great Britain in respect of their rights and privileges. We were given the right to enact laws for that purpose; but those laws must not create powers in this House or seek to establish privileges in this House which are greater than those of the two Houses of Parliament of Great Britain. I do not know any law or any principle of law which requires that statute to be construed strictly. I say that is a remedial statute and, by all the principles of law with which I am acquainted, that statute must be construed in that way, and not strictly as my right hon. friend suggests. In the second place our right to act in this matter also depends upon the Parliament Act, chapter 10 of the Revised Statutes of 1906, and under the Interpretation Act which governs the construction of all laws enacted by this Parliament, every measure in those revised statutes must be construed not strictly but in a remedial sense and as if enacted for a remedial purpose. It seems to me therefore that the argument, which my right hon. friend put forward, and on which he laid some stress, has really not much foundation in view of the considerations which I have brought to his attention.

Let us look at the situation for a moment. We have ordered this man into the custody of the Sergenat-at-Arms. What are we to do with him? Does my right hon. friend or any other hon. gentleman on the opposite side of the House deny that we could set apart a room in this building and order him to be confined there? I do not know whether any hon. gentleman on the other side of the House would deny that. At all events I have not heard it denied up to the present time. Assuming that is admitted, they suggest that, although that might be the case we cannot commit that man to the common jail. I venture to submit that the arguments put forward by my hon. friend the Minister of Justice in that respect are absolutely convincing. The very argument, which my right hon. friend put forward convinced me almost as fully as the arguments of my hon. friend the Minister of Justice. He pointed out that there is a division of power in this country between the federal Parliament and the provincial legislatures. He pointed out also that it would be impossible to carry out the administration of justice in this country under the constitution without the joint action of the federal executive and Parliament and the provincial executives and legislatures. That is the very point, put in another way by my hon. friend the Minister of Justice who has made it absolutely clear to this House that while the erection, the control and the maintenance of jails have been entrusted to the provincial legislature, yet when these jails have been constructed by the provincial legislature, they are then the prisons to which persons convicted of crime under the laws of Canada must be committed according to the laws of this country. And that is precisely what we are doing at this time. What is the situation? The British North America Act gave this Parliament power to enact laws conferring upon this House of Commons all the rights and privileges of the British House. This Parliament acting in pursuance of that statute, has conferred upon this House of Commons the right to commit for contempt. The British House of Commons, by the immemorial usage of Parliament, by what may be called the common law of Parliament, has the right to commit to jail any man who is guilty of contempt of that House. This Commons House of Parliament of Canada, having had conferred upon it the like powers by the statutory provisions to which I have alluded, has also, as I see it, the right to commit any man guilty of contempt to a jail in this country, and it does not seem to me to be pertinent to the question for my right hon. friend or any other hon. gentleman to point out or emphasize the fact that these jails, which are the receptacles of prisoners committed under Dominion laws, are erected and maintained under provin-

cial jurisdiction and by provincial authority. Therefore, it seems to me perfectly clear, so far as I am able to apprehend the question, that this House has the right, in its wisdom if it sees fit, to do so, to order this man to be committed to the common jail of the county of Carleton, situated in the city of Ottawa; and that is the motion my hon. friend from North Grey has proposed.

Now, with regard to the severity of this sentence; I am sure there is not one man on this side of the House or on the other who would approach this question with the idea of administering condign punishment to this man who has appeared at the Bar. It is true that his refusal, on one occasion at least, was conveyed to us in a rather abrupt manner, but that should not in the slightest degree influence our judgment or our appreciation of the duty devolving upon us. Is the sentence proposed a severe one? In the first place, it does not lengthen the term of imprisonment by one hour, because this man was subject to the same length of imprisonment under the order made here on Tuesday last, to which every hon. member assented.

Mr. PUGSLEY: There were cries of 'no' from a great many members.

Mr. BORDEN: What I meant was that there was no division upon it. I think there were some cries of dissent but that feeling was not persisted in to the extent of demanding a division on the subject. At all events, that was the order of the House, and, whether unanimous or not, no division was demanded upon it. And, as I was saying, the motion of my hon. friend from North Grey does not lengthen the term of imprisonment by one minute. What is the position of this gentleman? He has appeared before a committee of this House and refused to answer a question put to him. In the judgment of the committee that refusal was without justification. He has been brought twice before the Bar of this House, and twice he has persisted in his refusal to answer the question which His Honour the Speaker was directed to administer to him. The order which is now proposed is that he shall be committed to the common jail of the county of Carleton in the city of Ottawa and shall remain there until the end of the session unless in the meantime the House shall otherwise order. And the House is perfectly willing, I am sure, to order otherwise to-morrow, or even to-night, if that gentleman will appear at the Bar of this House, retract his defiance of this House, and give the information which the House has ordered him to give. So far as the length of his sentence is concerned, he is absolutely master of the situation. He has refused, as I think without justification, on three occasions, once before the committee and twice at the Bar of this House, to answer a proper, pertinent and reasonable question. The House is asked to assent to a motion that he be committed to the common jail for the remainder of this session, unless in the meantime he submits himself to the judgment of the House in that regard and answers the question. Under the circumstances, I do not see that the House can be regarded as having dealt with the matter in a severe way if it should pass this motion. I am sure that there is not one of us here who would not gladly have been otherwise occupied to-day than in debating a matter of this kind. And I can only say, so far as all of us are concerned, that this duty has been thrust upon us, not of our own accord but by the will of the witness and his defiance of the House. I think the House would place itself in an exceedingly false and humiliating position if it refused to take cognizance of the fact that this witness has defied it and should decline to pass the motion proposed by my hon. friend from North Grey. For these reasons, and without any feeling of resentment against the witness, and purely for the reason that I think the privileges and dignity of this House ought to be maintained by some decided action, so far as I am concerned I think it my duty to vote for the motion which my hon. friend from North Grey has proposed to this House.

Motion agreed to, on division.

Mr. BORDEN moved:

That the witness, R. C. Miller, be summoned to the Bar of the House in order that the judgment of the House which has just been passed may be communicated to him.

Mr. BUREAU: Is this a new judgment on account of a new offence committed by the same witness?

Mr. BORDEN: Is my hon. friend asking that question in a technical sense?

Mr. BUREAU: Merely as a matter of information with respect to the practice of the House.

Mr. BORDEN: I thought that had been made clear several times. The practice seems to be that when a witness refuses to answer a question, and in so doing, disobeys the order of the House, he is committed to the custody of the Sergeant-at-Arms. He is then again brought to the Bar of the House, and the question is repeated, and, if he persists in his contumacious conduct, the usual practice is then to commit him to jail.

Motion agreed to.

The Acting Sergeant-at-Arms: Mr. Speaker, the witness, Mr. R. C. Miller, is

now in attendance at the door of this Honourable House.

Mr. SPEAKER: Admit the witness.

Mr. Miller again came before the Bar of the House.

Mr. SPEAKER: Mr. R. C. Miller, I have the honour, in obedience to the command of this House, to communicate to you the judgment of this House with reference to your case, which has been under consideration, in the folowing terms:

That this House, having considered the statements made by R. C. Miller and his counsel at the Bar of this House, on the 18th and 20th days of February instant, hereby declares such statements to be no answer to the question put to him by Mr. Speaker on said dates, and that his refusal to answer said question constitutes a breach of the privileges of Parliament, and renders the said R. C. Miller guilty of contempt of this House, and this House doth order and adjudge that the said R. C. Miller be forthwith, by the Sergeant-at-Arms, committed to and imprisoned in the county jail of the county of Carleton, situated in the city of Ottawa, in the province of Ontario, until the prorogation of this House, or until sooner released therefrom by the order of this House; and the keeper or other officer in charge of the said jail is hereby authorized to receive the said R. C. Miller into his custody accordingly, and that Mr. Speaker do forthwith issue his warrant therefor accordingly.

The witness then withdrew, in the custody of the Acting Sergeant-at-Arms.

MONTREAL, OTTAWA AND GEORGIAN BAY CANAL COMPANY.

Mr. LANCASTER moved, seconded by Mr. White (Renfrew):

That a message be sent to the Senate requesting their honours to return to this House Bill No. 45, respecting the Montreal, Ottawa and Georgian Bay Canal Company, as it appears that the said Bill as sent to the Senate is not printed as passed by the House of Commons.

Some hon. MEMBERS: Explain.

Mr. LANCASTER: It has come to my notice that their honours in the Senate will be called upon to consider a Bill presumably passed by this House, but which, if considered in its present form, would put this House in a very ridiculous position. The House of Commons, after due deliberation, passed the Bill referred to, and section 4 of the Bill as sent to the Senate undertakes to repeal the whole of chapter 123 of the statutes of 1912. This House never did any such thing. It was never suggested by any member that we should. What we did was to repeal section one. In some strange way—I do not want to impute motives but I have to have a good deal of charity in my disposition to think this interference was not intentional—after the House dealt with the Bill the Bill was printed in such a way as to strike out the whole chapter instead of what the House actually did. The effect would be that the company would have no directors and provincial rights with regard to water powers would not be protected. It is a strange thing; the House will have to deal with it afterwards as they see fit, but it is my duty now as Chairman of the Railway Committee of the House of Commons to call attention to the fact that this House has been placed in the position of having sent a Bill to the Senate which we never passed as sent, and I move that the Senate be asked to send that Bill back to us in order that a proper Bill as passed by this House may go to them for consideration.

Motion agreed to.

QUESTIONS.

(Questions answered orally are indicated by an asterisk).

BONUSES ON THOROUGHBRED STALLIONS.

Mr. SUTHERLAND:

1. What are the dates of the passing and coming into effect of the regulations under which a bonus is paid to the owners or controllers of thoroughbred stallions in Canada?
2. What sums have been paid in each year since said regulations came into effect?
3. What sums have been paid to individuals, firms or corporations respectively, in each year, and what are the provinces in which they reside?
4. Are the horses owned by the parties, firms corporations to whom a bonus is paid?
5. Have these animals been valued by a competent judge on behalf of the Department of Agriculture?
6. Do the owners or controllers of such stallions for whom a bonus is paid, collect a percentage of the earnings or service fees of such stallions from the parties with whom placed, in addition to the $250 bonus per year paid by the Government? If so, how much?
7. Will the Government pay or have they paid the $250 bonus per year on stallions whose actual value is not more than $150.
8. Has the bonus been paid in any case where the horse has not been certified as sound by a Government inspector? If so, in what cases, respectively?
9. Does the sum paid to the National Bureau of Breeding, Montreal, represent the $250 per horse, as per inspection regulations?
10. Is it the intention of the Government to pay a bonus to the owners of horses of a certain standard suitable for military, saddle or harness purposes, when bred by the owners?
11. Is it the intention of the Government to continue the payment of the bonus for thoroughbred stallions?

Mr. BURRELL:

1. The first announcement in reference to the granting of a bonus to the owners or

controllers of thoroughbred stallions in Canada was made public on June 21, 1911. The conditions and regulations pertaining thereto were included in this announcement. The awarding of the grant became effective in the case of such stallions qualifying under the conditions above referred to during the service season 1911.

2. During the fiscal year 1911, $8,250 was expended for the purposes of the said grant. During the fiscal year 1912-13 to date, $15,250 has been expended for the same purpose.

3. The information asked for in this question is supplied in the statements attached.

4. In the case of private individuals the stallions are, so far as the department is aware, owned by the parties making application for the grant. In the case of the Canadian National Bureau of Breeding, Limited, Montreal, I understand that, while all of the stallions for which application is made are controlled by the Bureau, not all of them are owned outright.

5. No valuation has been taken of the stallions for which application has been made.

6. In the case of private individuals owning their stallions, the fees are, of course, collected by their owners, into whose hands is also paid the grant awarded by the department. In the case of the Canadian National Bureau of Breeding, Limited, Montreal, the grant in each case is paid to the Bureau, which, according to its published regulations, collects from the parties with whom its stallions are placed, $3 of the service fee charged upon each mare served.

7. The federal grant has been awarded not upon valuation, but upon the report of the officers of the department who have been detailed to examine the stallions with respect, amongst other things, to their conformation, soundness and general utility for improving the light horse stock of the country.

8. No bonus has been paid to the owner of any stallion which had not been passed upon as serviceably sound by the Veterinary Director General.

9. The sums paid to the Canadian National Bureau of Breeding, Limited, represent the actual bonuses awarded in the case of the stallions qualifying under the conditions imposed by the department.

10. It has not been considered.

11. The minister decides from year to year as to whether or not the payment of the bonus for thoroughbred stallions should be continued.

Statement of the sums paid as bonuses to individuals, firms or corporations, respectively, and of the provinces in which they reside:

Mr. BURRELL.

Fiscal Year 1912-13:

Quebec.—John F. Ryan, secretary, Canadian National Bureau of Breeding, Limited, Montreal, $7,250; J. A. Deneault, Montreal, $250; Colin Campbell, Montreal, $250; total, $7,750.

Ontario.—J. C. Anderson, Morganston, $250; Thos. Babe, Shelburne, $250; Jas. Myles, Heathcote, $250; Wm. Lowes, Drayton, $500; Paterson Bros., East Toronto, $250; J. W. Barbour, 112 Davencourt Road, Toronto, $250; R. M. Dale, 18 Kingston Road, Toronto, $250; F. N. Cace, Beaconsfield, $250; H. Leitch, Cornwall, $250; East Elgin Thoroughbred Association, Dunboyne, $500; Jas. Bovaird, Brampton, $250; T. D. Elliott, Bolton, $250; G. Ed. Boulter, Picton, $250; F. D. Parsons, Guelph, $250; total, $4,000.

New Brunswick.—Sheriff Williams, Gagetown, $250; Samuel Jones, St. Jonn, $250; H. A. Jamieson, Cantebury Station, $250; total, $750.

Nova Scotia.—George M. Holmes, Amherst, $250; W. N. MacDonald, Sydney, $250; total, $500.

Alberta.—J. G. Clark, Clark Manor, $250; E. Sandeman, Cowley, $250; J. W. Morrow, Medicine Hat, $250; total, $750.

Saskatchewan.—Samuel Cummins, Fletwode, $250; H. Booth, Edgeley, $250; total, $500.

Manitoba.—William Barry, Shelmouth, $250.

British Columbia.—Mrs. E. M. Daly, Keremeos, $250; W. H. Jones, Grand Prairie, $250; J. B. Leighton, Savona, $250; total, $750.

Fiscal Year 1911-12.

Quebec.—John F. Ryan, Secretary Canadian National Bureau of Breeding, Limited, Montreal, $5,000; Colin Campbell, Montreal, $250; total, $5,250.

Ontario.—J. A. Myles, Heathcote, $500; William Lowes, Drayton, $250; Ottawa Hunt Club, Ottawa, $250; Hugh Leitch, Cornwall, $250; East Elgin Thoroughbred Association, Dunboyne, $250; George Ed. Boulter, Picton, $250; total, $1,750.

New Brunswick.—L. Dec. MacIntosh, Hartland, $250; H. A. Jamieson, Cantebury Station, $250; total, $500.

Alberta.—H. H. Jenkins, Pincher Creek, $250; J. W. Morrow, Medicine Hat, $250; total, $500.

British Columbia.—James Leighton, Savona, $250.

On motion of Mr. Borden, House adjourned at 11.33 p.m.

HOUSE OF COMMONS.

FRIDAY, February 21, 1913.

The SPEAKER took the Chair at three o'clock.

THE CASE OF R. C. MILLER.

Mr. SPEAKER: I have the honour to inform the House that I have received the report of the Acting Sergeant-at-Arms of the House upon the steps taken by him by virtue of the warrants issued by order of the House on the 18th and 20th days of February, in the case of R. C. Miller, and I have directed the Clerk to lay the report on the table of the House.

CONVEYANCE OF LETTER CARRIERS.

Mr. PELLETIER moved for leave to introduce Bill No. 120, respecting the conveyance of Letter Carriers on Electric Railways. He said: This Bill is to implement what is lacking in the postal laws with reference to the transportation of letter carriers. The Postal Act now authorizes the Postmaster General to fix the rate at which the mail and also the officers of the Post Office Department shall be carried over the railways of this country. It has been found necessary to extend this to cover the transportation of letter carriers, because it has been found impossible to agree with all the transportation companies on some reasonable rate. Certain railway companies have asked us for such a large increase that it is not possible for us to pay it. So the intention of this Bill is to regulate this matter, and put it on the same footing as the transportation of mail matter and officers on railways.

Motion agreed to, and Bill read the first time.

INQUIRY FOR RETURN.

Mr. OLIVER: I would call the attention of the Minister of Public Works and the Minister of the Interior to the fact that the file which was laid on the table yesterday in response to my request contains only a part of the information to which allusion was made by the Minister of Public Works in his remarks to the House. This file relates to the north half of the south-west quarter of section 8. The remarks of the minister had relation also to the north-west quarter of section 8 and the south-east quarter of section 7. I thought it was understood that these papers would also be laid on the table, and I would ask the minister to place them on the table.

Mr. ROCHE: I thought the hon. gentleman had simply asked that the file relating to the Donaldson matter should be laid on the table; but if he desires to have the files relating to all the lands withdrawn from the reserve, I shall bring them down.

Mr. OLIVER: I am not particularly anxious to have the original files in these cases; but these were the ones I was most anxious to have, because it was on them that the minister based his argument that he was following the action I had taken, and I wished to have the papers so as to satisfy myself and the House as to what action I did take. I would like to have the files in regard to these lands and also the papers relating to the establishment of the forest reserve and the withdrawal from the forest reserve of a part of it.

DISMISSALS AT DESCOUSE AND WEST ARICHAT.

Sir WILFRID LAURIER: May I ask with regard to another motion, that concerning the dismissal of Leon N. Landry, of Descouse, and the appointment of Andrew Landry to succeed him. This is a matter which was under the consideration of the Minister of Justice. I do not know whether he is prepared to bring down the papers or whether he will not bring them down; that is a matter for his discretion.

Mr. DOHERTY: That is the matter which has reference to the papers bearing upon the recommendations to His Royal Highness to release the man, Mr. Landry?

Sir WILFRID LAURIER: Yes.

Mr. DOHERTY: I may say that since the matter was up before, I have gone very carefully into the records of what has occurred in the past with regard to similar demands. I would like to point out in the first place that this is a question of the exercise of the power under the Ticket-of-leave Act. I say that merely because I think we are therefore called upon to look at what has happened in the past under that Act. If I had expected this question, I would have brought with me the papers, and would have been in a position to have put before the House the exact records of what has happened on previous occasions, the dates, and so forth, and so have enabled hon. members to verify them. This matter arose—I cannot fix the date—while my immediate predecessor, Sir Allan Aylesworth was Minister of Justice, in the form of a question put to him as to whether such documents ought to be produced, or whether he would produce them. I regret that I am not in a position at this moment to give the exact details. It is suggested to me, and I think probably it would be more satisfactory to the right hon. gentleman and to the House, that I defer answering this question until I can come with the information in a shape to be put before the House in a perfectly clear manner.

Sir WILFRID LAURIER: Monday, or Tuesday?

Mr. DOHERTY: On Tuesday at the latest.

QUESTION OF PRIVILEGE.

Mr. BUREAU: I desire to rise to a question of privilege, though I am personally not more interested than any other member of this House. The question is based on an article or a despatch, which appears in a newspaper published in Montreal, and which reflects upon every member of this House, and also upon you, Mr. Speaker, as it puts in your mouth words or a question, that you never put to the witness. It is in reference to the incident of the witness Mr. Miller, who was brought to the Bar of the House. I find this statement in a newspaper published in Montreal, La Patrie, and printed on the first page thereof. I see in big letters: 'Mr. Miller a Prisoner in the tower of Parliament.' It is a despatch dated Ottawa, and I will read it, first in French, and then translate it to the best of my ability.

Ottawa, 19—La Chambre des Communes a un prisonnier depuis hier après-midi, c'est M. R. C. Miller, de Montréal, l'ancien président de la Diamond Light and Heating Company, qui a refusé de dire à quels députés de la Chambre il avait payé $41,026 pour obtenir des contrats pour sa compagnie, de 1907 à 1911.

In English it reads:

Ottawa, 19—The House of Commons has a prisoner since yesterday afternoon. It is Mr. R. C. Miller, of Montreal, the former president of the Diamond Lighting and Heating Company who has refused to tell to what members of the House he paid the sum of $41,026 to obtain contracts for his company from 1907 to 1911.

Further, this despatch contains the following statement:

A la demande de M. Middlebro, M. l'Orateur demanda à M. Miller de dire à quels députés de la Chambre des communes, de 1907 à 1911, il avait payé ces $41,026.

Translation:

At the request of Mr. Middlebro, the Speaker asked Mr. Miller to what members of the House of Commons he had paid, between 1907 and 1911, the amount of $41,026.

The evidence that was read before the House yesterday when the question was discussed, the evidence which is in 'Hansard' and the statement made by the witness at the Bar, show that the statements contained in this despatch published in La Patrie, are totally, entirely and absolutely false. Moreover, Mr. Speaker, the witness stated that he had never paid any sum, or any of this $41,026, to any senator, or any member of the House of Commons. I rise at this time to repudiate that statement and to qualify it, as it deserves, as a false statement.

NAVAL FORCES OF THE EMPIRE.

Consideration of the proposed motion of Mr. Borden for the second reading of Bill No. 21, to authorize measures for increasing the effective Naval Forces of the Empire, and the proposed amendment of Mr. Turriff thereto, resumed from February 19.

Hon. T. W. CROTHERS (Minister of Labour): Mr. Speaker, opposition to the measure before the House is offered on many grounds, none of which, it seems to me, can be maintained. In the first place, it is said that the aid provided by this Bill is neither needed nor sought by the British Government; that the constructing of three battleships by this Government and the loaning of them to the British Government, by some mysterious, undefined and undefinable process, would constitute tribute, destroy our autonomy and, in perpetuity, consign us to taxation without representation, that England has more money than we have and does not require any assistance by way of money from us; that the taxpayers of England are able and willing, unaided, to protect every part of the British Empire, including Canada, and will do so without aid from us; that, in any event, this Bill should not be passed by this House until it receives the approval of the people and that what is known as the Laurier naval policy has been approved by the people.

Taking the last contention first, let me say that the speeches delivered by hon. members on the other side of the House, it seems to me, have been based upon three false assumptions. The first is that the Bill before the House contains the Government's whole naval policy; secondly, that the provisions of this Bill have not been approved of by the people already; and, thirdly, that the Laurier naval policy has not been rejected by the people. Let us look at one or two of these points. I want to assert without any fear of contradiction, and I hope to be able to prove it before I sit down, that the Laurier naval policy has been on two occasions rejected by the people of this country, once indirectly and once directly. It will be remembered that, when the right hon. leader of the Opposition (Sir Wilfrid Laurier) attended the Imperial Conference in 1912 and the question arose there as to granting aid to the naval forces of the Empire, he said:

At present Canadian expenditures for defence services are confined to the military side. The Canadian Government are prepared to consider the naval system of defence as well.

That was in 1902. He returned to Canada and he had the matter of naval defence under consideration for five years without doing anything—from 1902 until the next Imperial Conference in 1907. At the Imperial Conference in 1907 he stated before the assembled representatives of the Empire that, although they had been considering the question of naval defence for five years in Canada, they had reached the conclusion that they would do absolutely nothing. Let us see if that is so. You will find that at that conference, Dr. Smart, Commissioner of Public Works for Cape Colony, introduced this resolution:

That this conference, recognizing the vast importance of the services rendered by the navy to the defence of the Empire and the protection of its trade, and the paramount importance of continuing to maintain the navy in the highest possible state of efficiency, considers it to be the duty of the dominions beyond the seas to make such contribution towards the upkeep of the navy as may be determined by their local legislatures—the contribution to take the form of a grant of money, the establishment of local naval defence, or such other services, in such manner as may be decided upon after consultation with the Admiralty, and as would best accord with the varying circumstances.

Hon. members will notice there that Dr. Smart proposed any one of several means of granting aid to strengthen the Imperial navy, either by a contribution, or in the form of the establishment of local naval defences 'or such other services, in such manner as may be decided upon after consultation with the Admiralty, and as would best accord with their varying circumstances.' What answer did the representative of Canada give to that proposition? Let me read his answer:

I am sorry to say that, so far as Canada is concerned, we cannot agree to the resolution. We took the ground many years ago that we had enough to do in that respect in our country before committing ourselves to the general claim. We have too much to do otherwise. For my part, if the motion were pressed to a conclusion, I should have to vote against it.

Then Dr. Smart said:

I thought the wording of this resolution would have especially met your views, because the upkeep of the navy may take the form either of a grant of money or the establishment of a local defence force or other services.

Sir Wilfrid Laurier:

I have said all I have to say on the subject.

Dr. Smart:

I should like very much to hear the opinions of the representatives of the other portions of the Empire.

Mr. Deakin:

I have no hesitation in entering upon the discussion if desired, but if we are not going to pass the resolution is it worth while?

Dr. Smart:

I think it is a great pity we do not pass something. We have done so much in the way of pious affirmation that I am anxious we should do something of a practical character.

Sir Wilfrid Laurier:

It can be passed if there is a majority. For my part, I must vote against it.

Sir Joseph Ward: To do any good we would require to be unanimous about it.

Dr. Smart: Yes, I suppose so.

Mr. Winston Churchill: It is not much good to have a resolution at all if we cannot be unanimous.

The Chairman: I think we had better not proceed any further just now.

And the matter died stifled by Canada's representative. So that I repeat: in the year 1902, Sir Wilfrid Laurier promised the assembled representatives of the British Empire in the Colonial conference that he would take into consideration the establishment of a naval force. He took it into consideration and left it there for five years, and then returned to the Colonial conference in the year 1907, and said: I will have nothing to do with this matter; I shall not make a contribution to the royal navy; I shall do nothing towards the establishment of a local navy; we shall do absolutely nothing towards strengthening the Royal navy or constructing a navy for the protection of Canada herself. That was in the year 1907. A few months afterwards, we had a general election, and Sir Wilfrid Laurier was sustained by the people of Canada. The people of Canada in 1908, said: We approve of the position you took; we do not want to do anything for the navy; we won't make any direct contribution; we will have no establishment of a local naval force; we will do absolutely nothing. Those were the instructions Sir Wilfrid Laurier received from the people of Canada at the general elections in 1908. Two years came and went without any appeal to the people, and in the year of 1910 we had the Naval Service Act of that year passed by this House then led by the Right Hon. Sir Wilfrid Laurier, and we had it passed without any consultation with the people. We went to the country in 1911; it has been said by several gentlemen on the other side of the House—and the hon. member for South Wellington (Mr. Guthrie), a few evenings ago lashed himself into paroxysms of eloquence in struggling to establish it—that the navy question was not submitted to the people at the elections in 1911. The hon. member for South Renfrew (Mr. Graham) a few hours ago, prompted the hon. member for Assiniboia (Mr. Turriff) to say that the naval question was only discussed in the province of Quebec during that election.

Now, Mr. Speaker, I want to appeal to a higher authority than either of these gentle-

men. I want to appeal to a man who has experience of the joys and sorrows of a long political career; I want to appeal to the present leader of the Opposition to see whether or not the naval policy was a question discussed before the people at the general elections in the year 1911. It will be remembered that a charge was made against the right hon. the leader of the Opposition for delaying the letting of contracts for the construction of cruisers which it was proposed to build under his policy, and what did he say in reply to that charge? His reply will be found in 'Hansard,' page 1063:

We asked for tenders for four cruisers and six destroyers which would cost $11,280,000. We did not choose to award the contract in view of the impending change of Government. Yes, we thought as the general elections were coming, that it would not be fair in a matter of this kind, which was at issue between the two parties, to award the contract in case there might be, as there was, a change of Government.

Mark you, the right hon. the leader of the Opposition says that the navy was at issue between the two parties in the election of 1911, and he was not speaking about the province of Quebec merely but about the general issue throughout Canada. It will be remembered also that the right hon. gentleman made a speech only a few hours ago in this House, in which he used these words, in referring to an amendment proposed by the member for Jacques Cartier (Mr. Monk) 'Hansard,' pages 3328 and 3329:

That was in the month of November, 1910. The elections came on shortly afterwards and each party went before the country with its policy. My right hon. friend went before the electors, pledged by his vote on the amendment of the hon. member for Jacques-Cartier that we should consult the Canadian people, not only upon the question of the navy, but upon the question of contribution to armaments.

I am reading this, Mr. Speaker, to show that the leader of the Opposition realized then, as he realizes now, that the navy question was one of the issues between the parties in the general elections of 1911. He continued:

I need not recall the fact that my right hon. friend triumphed on that occasion. It was his policy which was adopted by the Canadian people; it was not the policy which I had advocated——

Observe, Mr. Speaker; the right hon. the leader of the Opposition says: It was not the policy which I had advocated which had been endorsed by the people:

—it was not the policy which I had advocated which had been supported at one time by my right hon. friend, but it was the policy which he had later adopted and which was the last policy which had been before the people and which was approved of by the people.

Mr. CROTHERS.

In the face of such a condition of things, can my right hon. friend refuse to accept the amendment of the hon. member for Maisonneuve (Mr. Verville). If the words and the pledges of men, when they are before the electors, mean anything, it seems to me that on the present occasion we have the right to expect that the policy which my right hon. friend laid before the people and on which he triumphed——

Will anybody on the other side say that the naval question was not before the people in the last election?

—is the policy which he must adopt at the present time; and that to depart from it would be a breach of faith with the electorate. The defeat I have accepted already——

'I have accepted the verdict of the people; they did not want my naval policy.' That is what it means, if it means anything.

—the people have decided in favour of the views of my right hon. friend; and it seems to me that there is nothing for this House to do but to carry out the pledges given to the electors.

So, we find the right hon. leader of the Opposition admitting directly on one occasion that the naval question was one of the issues before the people—and that the policy of the leader of the present Government triumphed, while his own policy was defeated. And yet, notwithstanding that defeat you have him coming before this House and asking the House this session to continue that policy which he admits was defeated by the people on the 21st of September, 1911. You will find in the amendment proposed by the leader of the Opposition these words:

It is the opinion of this House that measures should be taken at the present session to give effect actively and speedily to the permanent naval policy embodied in the Naval Service Act of 1910.

That is, it is the duty of this House to proceed this session to carry out a policy which he admits was defeated on the 21st of September, 1911. In 1908 the people approved of his do-nothing policy. In the face of those instructions from the people, he proceeded two years later to carry through this House the Naval Act of 1910, afterwards condemned by the people as he admits. And yet this policy which was so defeated he asks this House to proceed actively to carry out. Now, it will be said that when speaking the other day he was calling the attention of the House to the vote alleged to have been given by the leader of the Government in favour of the amendment proposed by the hon. member for Jacques-Cartier (Mr. Monk). That is aside for the moment; I read it for the purpose of satisfying every reasonable member of the House—and I think I have suc-

ceeded—on the evidence of the leader of the Opposition that the question was determined by the people on the 21st of September, 1911, and that his policy was then defeated. In addition to that it is shown that he was urging that those who voted for the amendment proposed by the hon. member for Jacques-Cartier are in duty bound now to vote for the submission of the question to the people. The amendment proposed by the hon. member for Jacques-Cartier was in these words:

> The House regrets that the Speech from the Throne has no indication whatever of the intention of the Government to consult the people on this naval policy and the general question of the contribution by Canada to Imperial armament.

The contention of the leader of the Opposition in the extract from his speech that I have read is that that was the proposition before the people. Now look at that for a moment. What would that mean: 'I am before you now; I do not propose to do anything by way of contributions or by way of a Canadian navy until I come back and consult you again'. Could there be anything more absurd than that?

Now, the only question between us is: What was the proposition at that time before the people? What was Mr. Borden's policy—the resolution of the hon. member for Jacques Cartier or another one? What was really done, in substance, was to carry out the two divisions of that amendment. The people were asked in 1911 to declare on one of these branches. Which one? The question of contribution. And we propose to go to the people again on the permanent side of it before it is adopted. So, we are strictly carrying out the principle which we have advocated for years, that of consulting the people on all these great questions before they are put into force. It is very gratifying to find our Liberal friends converted to the idea that the people ought to be consulted on these great questions. It is a sudden conversion. Let me give you a few illustrations, both from trade and from the naval question. To go back a little way, it will be remembered that in 1878 the people, by an overwhelming majority, declared in favour of protecting our infant industries. But the Liberal party, instead of bowing to the will of the people and accepting their verdict, so emphatically rendered, proceeded to accuse them of gross folly, credulity and gullibility. We remember that very well. And what was the effect? The effect of that attitude toward the people was to keep the party of hon. gentlemen opposite in the cold shades of Opposition for eighteen years, and I believe it would have kept them in Opposition ever since had it not been for the side issues that were injected into the campaign of 1896. Again, in 1899, in this House, the present right hon. leader of the Opposition declared that the people of Canada no longer desired reciprocity with the people of the United States. And not only did he make that statement but he gave the reason, and the reason he stated was that we were no longer dependent upon the markets of the United States—and he might have added, we were no longer dependent upon the markets of the United States thanks to the policy which he for twenty years had combatted. Well, we had an election a few months after that. in 1900, and the people of Canada sustained the right hon. gentleman, stating in substance: You are quite right; we do not want reciprocity with the United States; we are no longer dependent upon the markets of that country. In 1901, encouraged by what the people had said, the right hon. gentleman stated that not only would he not send anyone to Washington to bring about reciprocity, but that if they came here from Washington, he would send them home without trying to make a treaty with them. In 1903, we had this repeated in substance in this House, when he introduced the National Transcontinental measure. He said, in substance that the people of Canada would not have reciprocity with the United States. What did he say? He urged the necessity of building it right at once, in order to prevent the United States, an ever-vigilant competitor, from turning our trade southward and northward instead of eastward and westward. On that occasion he said: We have done everything possible, by granting subsidies and by other legislation, to force our trade into British channels and keep it out of American channels.' That was, in substance, another declaration to the people of Canada that they were not in favour of reciprocity. That was in 1903; in 1904, a few months afterwards, the people applauded that position, and again in the year 1908 he was sustained by the people of Canada, they thereby saying: 'You are right in what you said in 1899 about reciprocity; you are right in what you said in 1901 about reciprocity; you are right in what you said in 1903 about reciprocity—we don't want it. Notwithstanding this, in the autumn of 1910, without consulting the people or their representatives in this House, he sends two men to Washington and makes the reciprocity pact. And yet they now pretend to be friends par excellence of the people. and state that this question ought to be submitted to them. The attitude of hon. gentlemen reminds me of children; it is only when children are kindly treated in the country that they have any affection or love for their relatives there, and, with our friends opposite, it is only when they

are kindly treated in the country that they have any respect for or confidence in the people. In 1878, and, history repeating itself, in 1911, the people of Canada by an overwhelming majority asserted their determination to maintain Canada's fiscal and national independence, but, instead of bowing to the will of the people and accepting a verdict so emphatically rendered, the right hon. leader of the Opposition went up and down the province of Ontario last summer declaring that the result of the elections was due to prejudice and passion and selfishness.

Some hon. MEMBERS: Hear, hear.

Mr. CROTHERS: Hon. gentlemen say hear, hear; but I say that they have no respect for the people unless the people do as they desire them to do. Challenge after challenge has been thrown out during the last three or four weeks that the Government should go to the country. In truth, these are bold words, summoned rather to dispel timidity and muster up courage than to express sincere desire or firm conviction. Hon. gentlemen know very well that they will now find the atmosphere in the country very unhealthy; they know very well that a trip thither would so decimate their ranks that they would be impotent for service in this House thereafter.

I was quoting a few moment ago from a speech delivered by the right hon. leader of the Opposition, wherein he admitted that the naval question was before the people on the 21st of September, 1911, and wherein he admitted that his policy was rejected by the people. I now desire to direct the attention of the House to the policy that the Prime Minister placed before the people, and, Mr. Speaker, perhaps you will permit me to read an extract from a statement made by that right hon. gentleman in this House. It has been read several times, but I would like hon. gentlemen to listen again to these words spoken by the present leader of the Government on November 24, 1910:

> It may be fairly asked what we would do if we were in power to-day with regard to a great question of this kind. It seems to me that our plain course and duty would be this: The Government of this country are able to ascertain and to know, if they take the proper action for that purpose, whether the conditions which face the Empire at this time in respect of naval defence are grave. If we were in power we would endeavour to find that out, to get a plain, unvarnished answer to that question, and if the answer to that question, based upon the assurance of the Government of the Mother Country and the report of the naval experts of the Admiralty were such—and I think it would be such—as to demand instant and effective action by this country, then I would appeal to Parliament for immediate and effective aid, and if Parliament did not give immediate and effective aid I would appeal from Parliament to the people of this country.

Then, Sir, as to the permanent policy, I think the people have a right to be consulted. I do not know whether I have made my position clear but I have done so according to my humble capacity. I think the question of Canada's co-operation upon a permanent basis in Imperial defence involves very large and wide considerations. If Canada and the other dominions of the Empire are to take their part as nations of this Empire in the defence of the Empire as a whole, shall it be that we, contributing to that defence of the whole Empire, shall have absolutely, as citizens of this country, no voice whatever in the councils of the Empire touching the issues of peace or war throughout the Empire? I do not think that such would be a tolerable condition, I do not believe the people of Canada would for one moment submit to such a condition. Shall members of this House, representative men, representing two hundred and twenty-one constituencies of this country from the Atlantic to the Pacific, shall no one of them have the same voice with regard to those vast Imperial issues that the humblest taxpayer in the British Isles has at this moment. It does not seem to me that such a condition would make for the integrity of the Empire, for the closer co-operation of the Empire regard must be had to those far-reaching considerations, a permanent policy would have to be worked out, and when that permanent policy had been worked out and explained to the people of Canada, to every citizen in this country, then it would be the duty of any government to go to the people of Canada to receive their mandate and accept and Act upon their approval of or disapproval of that policy.

That declaration was made in this House —a very proper place, indeed, to make it. But he did not stop there. The right hon. leader of this Government, in his speech opening the campaign in the province of Ontario, discussed the question of immediate aid, favouring it; discussed the Laurier policy, denouncing it; and he went on to discuss the permanent policy in terms similar to those which I have just read to you. I have an extensive extract from that speech, but I will not take time to read it at this stage; I desire only to read a word or two respecting the permanent policy:

> Canada's permanent and effective co-operation in naval defence can only be accomplished by proposals which take account of this consideration, and any such proposals—

Not immediate aid, not a contribution, which he had already stated earlier in his speech he was in favour of.

> —should be submitted to the people for their approval.

That speech was published in every newspaper throughout the province of Ontario, and it was published in Quebec

as well—at least as far east as Montreal, because I have read it in the Montreal papers. There was our policy first enunciated in this House, that if we were in power we would go home to England and get the best information that we could from the British Government, and if upon that information we considered the conditions were grave, we would do what? Go to the people? No, we would come to this Parliament and ask for immediate aid, and if this Parliament refused aid, then we would go to the people. That is what we said in this House and on the platform in 1911.

Mr. GRAHAM: Does the hon. member adhere absolutely to that last statement now, and would he adhere to it?

Mr. CROTHERS: About going to the people upon the permanent policy?

Mr. GRAHAM: My hon. friend read a declaration of the present Prime Minister that if Parliament would not pass this proposition for immediate aid, he would immediately appeal to the country. I am asking if we could depend on the Government standing by that proposition.

Mr. CROTHERS: You can depend on the leader of the present Government standing by anything he has ever stood by before.

Mr. GRAHAM: 1909.

Mr. MACLEAN (Halifax): It would be very interesting to know, and I would be glad to have the hon. gentleman to tell us, why it took so long for the hon. gentleman's Government to get started on this policy?

Mr. CROTHERS: It was not very long.

Mr. BENNETT (East Simcoe): It seems long to you over there.

Mr. CROTHERS: This is an illustration of how unreasonable some people are. My junior friend from Halifax knows very well that this Government did not come into power until October 10, 1911. We met the House of Commons a few weeks thereafter. He did not expect us to go to England before meeting the House.

Mr. GRAHAM: The Empire might have gone to pieces.

Mr. CROTHERS: We were engaged for five or six months, and as soon as the session closed the leader of the Government and three or four of his colleagues went to England just as they said they would. I suppose he would expect it to be done in a few days.

Mr. GRAHAM: Yes.

Mr. CROTHERS: We have not taken so much time yet as the Liberal Government took to do nothing.

I wish to repeat that the Liberal policy urged upon this House this session was, on the evidence of Sir Wilfrid Laurier himself, rejected by the people of Canada on the 21st of September, 1911, to use his own words. He says to the leader of the Government:

> Your policy triumphed; mine was rejected. I have accepted my defeat. Now proceed to carry out your policy.

Could there be anything clearer than that, that the policy proposed by the leader of the Government prior to the elections of September 21, 1911, was approved by the people of Canada? You have the evidence of Sir Wilfrid Laurier—pretty good evidence, especially for his followers. If any of the gentlemen opposite desire to look that up, they will find it at pages 3328 and 3329 of the current 'Hansard.' It is worth cutting out and pinning in your hat—the admission by Sir Wilfrid Laurier that his policy was defeated by the people and our policy was approved by the people. Of course, he was then arguing that it was the amendment by the hon. member for Jacques Cartier (Mr. Monk) that we had before the people, but that seemed to me so absurd, that was a proposition that the people should be consulted on both branches of the naval service, the contribution and the permanent side of it. We proposed to the people of Canada on the 21st of September a year ago to consult them with reference to the immediate contribution, 'effective aid,' that is what we told them. The Prime Minister declared to the people of Canada on the 20th day of September, as he had for months and months before declared: If you support me, tomorrow I will do several things: I will grant aid to agriculture, I will grant aid to good roads, I will proceed at once with the roads, I will proceed at once with the speedy construction of the Hudson Bay railway, I will extend a system of rural free mail delivery; I will extend the boundaries of Manitoba, Ontario and Quebec, and I will not gratify the reciprocity pact. I will discontinue the Laurier navy policy, I will proceed to England as soon as convenient and ascertain the facts and if I ascertain that conditions are grave with reference to the conditions of the British navy I will ask Parliament to grant aid immediately I come back. And what did the people of Canada say on the 21st of September, 1911? They declared by an overwhelming majority: We have the utmost confidence in you, proceed with your programme, implement your promise. Yes, Mr. Speaker, we have been authorized by the people of Canada to do the very thing we are doing to-day with reference to the

navy. That authority is coming to us day by day with ever increasing force from all parts of Canada and I say to our hon. friends opposite that we propose to continue to exercise that authority to the successful issue of this whole matter.

One of the grounds I mentioned in the outset was that some of our friends opposite have said: England has more money than we have; we have borrowed two billion dollars; we are sending home to England $80,000,000 by way of interest every year; she does not want our money; what is $35,000,000 to her? The leader of the Opposition said: It is not money that England wants at this moment, but she wants our hearts. I think if the choice were to be put to the British Admiralty whether they would accept a small sum of money or some hearts they would accept the former. The right hon. gentleman said: What she wants are the hearts of her subjects all over the world.

Mr. GRAHAM: That is the Nationalist policy.

Mr. CROTHERS: Let us see what some other of our friends said. My hon. friend from South Renfrew (Mr. Graham) took a hand in that line. He said:

> Sir, there is not a word in the memorandum of the British Admiralty, not a word anywhere in the history of the world within the last fifty years, which points to the fact that there is any danger of the British Empire being defeated on the seas.
>
> If my hon. friend entertains that fear, I do not, and the Admiralty says there is no danger of such a condition, because they are prepared to take care of the British Empire the world over.

That is, the hon. member for South Renfrew says the British Admiralty is prepared to take care of the Empire the world over, including Canada—and he is prepared to allow them to do it.

Mr. GRAHAM: My hon. friend put in something I did not say; he edited that a little.

Mr. CROTHERS: Everybody understood that I was making my own remarks there. Then we have the hon. member for Welland (Mr. German). I think he said something, too, that was very interesting. And my hon. friend from Red Deer (Mr. Clark) said: There is no emergency, but the extreme political situation we are in in Canada is this, that although there is no emergency, we have a government which comes coolly forward with an emergency contribution as its only naval policy. Here is Great Britain. It has $2,000,000,000 invested in Canada, and is drawing from us $80,000,000 in interest annually, and we are told forsooth, that to keep the flag flying, and to keep the British Empire intact, we have to send a miserable dole of $35,000,000 across the seas. My hon. friend from Welland said: Hon. gentlemen opposite say, give money to England, $35,000,000. That is not sensible. Why? Because, he says, England has not asked for it; England does not want it, and she certainly does not need it. Then why should we give it; it is simply and solely and only sentimental. Nothing else but pure sentiment. My hon. friend from South Renfrew says: The British taxpayer is able and willing, unaided, to protect the whole British Empire, including Canada, and they will do so if we act the poltroon and allow them to do it. Therefore, as a matter of logic we should emulate that contemptible character in his cowardice and baseness.

Take another illustration. My hon. friend from Red Deer says: We have borrowed two billion dollars from England, and we are paying $80,000,000 by way of interest. She has more than we have. Why should we do anything for the British navy? Exalted ideas, Mr. Speaker, are they not? And the logic, how cogent. Take an illustration. The chief of police is a very wealthy man. I borrow $5,000 from him to erect a house on my lot. He has a mortgage on it, and I am paying him $300 a year of interest. Therefore, says my hon. friend from Red Deer, I should not contribute anything to his salary for protecting me.

Mr. CLARK (Red Deer). I am sure my hon. friend does not want to misrepresent me. I contended that it was my duty under these circumstances to defend my own house. I take his illustration.

Mr. CROTHERS: But my hon. friend also contended that he should not pay anything to the chief of police who is defending him. What are the facts, Mr. Speaker. For one hundred and fifty years the people of Canada have been protected by the Royal navy. The people of Canada are being protected by the Royal navy to-day, and if we were to begin to-morrow to construct a navy for our own protection, it would take us say twenty-five years. That is not too large a number of years.

An hon. MEMBER: Fifty years.

Mr. CROTHERS: What did my hon. friend say?

Mr. McKENZIE: I said fifty years.

Mr. CROTHERS: Make it twenty-five years. The Royal Navy is going to defend us during these twenty-five years, while we are getting ready to defend ourselves, and will we do nothing towards the construction or upkeep of this weapon which has protected us for one hundred and fifty years, is protecting us now, and must continue to

protect us for the next twenty-five years? I have spoken that way, Mr. Speaker, for twenty years. I could not understand a Canadian going over to the Mother Country and looking an Englishman square in the face and not being ashamed of himself. When an individual or a nation accepts something without giving an equivalent, a little measure of his or their self-respect is sacrificed, and when an individual holds out his hand to get something for nothing, a little of his manhood oozes out at the tips of his fingers. Now, as I say we have nothing left of these grounds which I started out to deal with except the question whether or not there is any need, any emergency, if you like; call it what you choose. I propose to read only a few short extracts from this memorandum:

The Admiralty set the greatest store by the important material, and still more important moral assistance which it is within the power of Canada to give to maintaining British supremacy on the high seas.

Let us look at that and see what it means.

The Admiralty set the greatest store——

What does 'store' mean? Value, the greatest value, appreciation. The Admiralty says: We regard as of the greatest value, and with the highest appreciation any material assistance which the Canadian people may see fit to give us. Are they saying that when they do not want anything? What does that mean? That comes from the British Government. It is not a clipping from some newspaper in British Columbia or Prince Edward Island or Quebec. That is an authoritative statement from the British Government. It includes Mr. Asquith, Lloyd George, Winston Churchill, and all the members of that Government, and it comes to us as an official document, stating that they would regard as of the greatest value, and with the highest appreciation, any material assistance which the people of Canada may see fit to contribute at this time. Would they say that if they did not want anything? They say more.

But they think it necessary to disclaim any intention, however indirect, of putting pressure upon Canadian public opinion, or of seeking to influence the Dominion Parliament in a decision which clearly belongs solely to Canada.

They say we would consider of the greatest value and with the highest appreciation any material assistance you can give us, but we will not put any pressure on you. What for? Hon. gentlemen opposite say it means: We will not put any pressure on you for something we do not want. Why, it is perfectly absurd to say that they set the greatest store on something they do not want. Then what more do they say:

Naval supremacy is of two kinds: general and local.

And I want you to follow that if you please:

General naval supremacy consists in the power to defeat in battle and drive from the seas the strongest hostile navy or combination of hostile navies wherever they may be found. Local superiority consists in the power to send in good time to, or maintain permanently in some distant theatre forces adequate to defeat the enemy or hold him in check until the main decision has been obtained in the decisive theatre. It is the general naval supremacy of Great Britain which is the primary safeguard of the security and interests of the great dominions of the Crown, and which for all these years has been the deterrent upon any possible designs prejudicial to or inconsiderate of their policy and safety.

In one paragraph they say to you: we would regard it as of the greatest value and with the highest appreciation any material assistance you could give us, and in the next paragraph they say: your safety depends upon the general supremacy of the navy. Then they add: and we advise you to do it by strengthening the general supremacy of the navy; we advise you to do it by contributing battleships. There you have the whole thing in a nutshell. These three paragraphs settle the whole matter. The British Admiralty has not changed its mind. A few days ago we had hon. gentlemen on the other side of the House saying, and it was repeated time after time, that when the representatives of Canada went to England in 1909 the British Admiralty proposed a certain course for them to take. Nothing can be further from the truth. The British Admiralty proposed, in 1909, in substance, the very thing they propose in 1912 to my right hon. leader. They did not change. What did they propose? You will find it in the report of what occurred there in these words:

If the problem of Imperial defence were considered merely as a problem of naval strategy it would be found that the greatest output of strength for a given expenditure is obtained by the maintenance of a single navy with the concomitant unity of training and unity of command. In furtherance, then, of the simple strategical ideal the maximum of power would be gained if all parts of the Empire contributed, according to their needs and resources, to the maintenance of the British navy.

That is what they proposed when the right hon. leader of the Opposition (Sir Wilfrid Laurier) went to England in 1909, and that is what they proposed when my right hon. leader went to England in 1912. The difference between the two is that our Liberal friends objected to do what they told them they ought to do, while the present Government accepted their advice. What did they propose? Our Liberal

friends said: Well, we cannot do that. Then the British Admiralty next said to them: The next best thing would be to build a fleet unit. They replied: We will not do that either. Then, what will you do; how much money are you willing to spend? You do not want to do anything for the Royal navy, you will not build a fleet unit, what will you do? They reply: We do not know what we will do; we may spend £600,000, or we may spend £400,000, but you must remember that we will have to deduct from that what it costs at Halifax and Esquimalt and also what it costs for the wireless telegraph service. It is a wonder they did not propose to deduct from that their fare across the ocean. The British Admiralty have not changed their views one iota as between 1909 and 1912. They told the Liberal party, or its representatives, in 1909, the same thing that they told us in 1912, and no intelligent man who desires to be honest can read that memorandum without reaching the conclusion that the British Admiralty say: We are in need; we will regard it as of the very greatest value if you will help us; the way you can help us is by a contribution, not for our protection—you will notice that point—but in order to maintain the security of the overseas dominions; the best thing you can do is to strengthen the royal navy, and the best way to do that is to give us additional ships. We are proposing to do that. We are literally carrying out what the British Admiralty asks us to do and in that course we differ materially from the position taken by our hon. friends opposite. We are carrying out this policy according to the will of the people also. Let me say that there is plenty of evidence to corroborate the statements which have been made as to the existence of an emergency. I shall read the resolution proposed by my right hon. friend the leader of the Government and also the resolution proposed in amendment by my right hon. friend the leader of the Opposition. First I shall read the resolution:

(a) That from and out of the Consolidated Revenue Fund of Canada there may be paid and applied a sum not exceeding thirty-five million dollars for the purpose of immediately increasing the effective naval forces of the Empire:—

(b) That the said sum shall be used and applied under the direction of the Governor in Council in the construction and equipment of battleships or armoured cruisers of the most modern and powerful type;

(c) That the said ships when constructed and equipped shall be placed by the Governor in Council at the disposal of His Majesty for the common defence of the Empire; and

(d) That the said sum shall be paid, used and applied, and the said ships shall be constructed and placed at the disposal of His Majesty subject to such terms, conditions and arrangements as may be agreed upon between the Governor in Council and His Majesty's Government.

Now let us see what the leader of the Opposition proposes to do with that. He proposes to leave the clause (a) of the resolution and then to substitute the following, and I would like you, Mr. Speaker, and hon. members of this House to read carefully this amendment made by my right hon. friend. What does he say?

Several of the most important of the foreign powers have adopted a definite policy of rapidly increasing their naval strength.

He admits that.

That this condition has compelled the United Kingdom to concentrate its naval forces in home waters involving the withdrawal of ships from the outlying portions of the Empire.

He admits that.

That such withdrawal renders it necessary that Canada without further delay should enter actively upon a permanent policy of naval defence.

It is the opinion of this House that measures should be taken at the present session to give effect actively speedily to the permanent naval policy embodied in the Naval Service Act of 1910 passed pursuant to the resolution unanimously approved by this House in March, 1909.

This House is further of the opinion that to increase the power and mobility of the Imperial navy by the addition by Canada under the above Act of two fleet units, to be stationed on the Atlantic and Pacific coasts of Canada, respectively, rather than by a contribution of money or ships, is the policy best calculated to afford relief——

Why there is no necessity for relief, they say, no emergency no peril no menace! Here we have the leader of the Opposition saying that this policy is—

—best calculated to afford relief to the United Kingdom in respect to the burden of Imperial naval defence.——

I thought there was no burden or emergency, or peril, or menace, or no necessity for our doing anything. But this is the best way of doing it! The amendment proceeds:

-and, in the words of the Admiralty memorandum, to restore greater freedom to the movements of the British squadrons in every sea and directly promote the security of the Dominion; and that the Government of Canada should take such steps as shall lead to the accomplishment of this purpose as speedily as possible.

A few minutes ago I read an extract from a speech delivered by the leader of the Opposition in this House in which he said that the aggregate cost of the cruisers which it was proposed to construct in 1911 was, if I remember aright, $11,800,000.

His proposition now is to build two fleet units which would cost about fifty million dollars, and the upkeep of these two units would cost a million dollars a year, at a low estimate, which capitalized amounts to twenty-five million dollars. The right hon. gentleman proposed in 1911 to expend $11,800,000, and he is now proposing to expend $50,000,000 for the construction of two fleet units, and $1,000,000 a year for their upkeep, which, capitalized, would be $25,000,000 more, or $75,000,000 in all. What has happened? I would like to ask my right hon. friend what has happened since May, 1911, to justify him in raising his expenditure from $11,800,000 to $75,000,000. Call it emergency if you like; call it peril, call it menace, call it a change of conditions, call it what you will, and yet we have hon. gentlemen on the other side of the House talking by the hour, by the day, and by the week, trying to prove from newspaper clippings that the right hon. the leader of the Opposition had no justification for proposing to increase the expenditure from $11,000,000 to $75,000,000.

I started out by saying, Mr. Speaker, that the great burden of the speeches we have heard in this House for the last three or four weeks was based upon three false assumptions, namely; that the whole naval policy of the Government is contained in this Bill, which I think I have satisfied every reasonable man in the House is not so; then, upon the second false assumption, that the people of this country have not been consulted as to a contribution; and then, on the third false assumption, that the people did not reject the policy of the right hon. the leader of the Opposition. Let me repeat for a moment—because I am sorry the leader of the Opposition was not in the House when I was speaking about this. He admits in the speech of the other day that his policy and the policy of the leader of the Government were before the people on the 21st of September, 1911, and that the policy of the leader of the Government triumphed and his policy was rejected. And yet he, with his long record of experience, proposes at this very session to resurrect the policy which he himself admits the people rejected on the 21st September, 1911.

Before I conclude, I want to refer to a remark made by a gentleman on the other side of the House that the labour people of this country are opposed to war. That statement, Mr. Speaker, is quite true. Every virtuous man is opposed to war. In my own view war should be confined to the brute creation. I believe it to be a reflection upon humanity that war is possible in this twentieth century after the advent of the Prince of Peace. But, Sir, we must take into account world-wide conditions. Knowing the workingman of this country as I do, he is as intelligent, as patriotic, as loyal as any other class, as devoted to his wife and his children, his country, his king and his God. But I know full well that if the time should ever come when their liberties are at stake, the workingmen of Canada would be the first to come forward to protect their homes and their families, and to defend their country and their king. If I read the plain Canadian aright, militarism, the military tyranny which is the curse of Europe, has no attraction for him. It is repugnant to the genius, education and conditions of our people. Our country, almost boundless in exent, and abundantly abounding in natural wealth of every variety, capable of sustaining 200,000,000 souls, has a population of 8,000,000. From every direction, opportunities beckon on to success and fortune every man of intelligence, energy, and integrity. Under these conditions, standing armies cannot thrive nor can the blandishments of the militarist lure our people from pursuing that higher nobility achieved in the arts of peace. But, Sir, I do not regard this as a war contribution; this is a peace contribution. Our late King, Edward VII, whose name will go down in history as the great peacemaker, said at Liverpool shortly before his death: the best guarantee of peace is thorough preparation for war. So long, Sir, as the maritime sovereignty of the British people is maintained, we shall neither be attacked nor humiliated without attack. But, let that sovereignty once disappear and our prestige among the nations would largely disappear with it, and we would be subject to the loss of our rights and liberties which we appreciate more highly than life itself, by some powerful foe, perhaps even without the striking of a martial blow.

Mr. A. K. MACLEAN (Halifax): It is not my intention Sir, to answer categorically the arguments advanced by the hon. Minister of Labour (Mr. Crothers) in support of the measure which the Government has proposed to the House. I shall address myself very briefly to some of the general propositions laid down by that hon. gentleman, and thus indicate in a general sense my own views upon this measure. The hon. gentleman has, by a vast amount of specious and disingenuous reasoning, sought to bolster up the principle of this measure. In a positive and a negative way, he laid down certain propositions. For instance, he said that we on this side of the House deny that Britain either sought or invited aid. I affirm the statement made in that negative form, and I say now that the Minister of Labour can produce no evidence from anybody in authority within the British Empire to the effect that aid and assistance has ever been asked or is desired of this country. The hon. gentle-

man produced the Admiralty memorandum, which he says is an official document and is therefore conclusive upon that point. I propose arguing later that that document was procured by duress.

Mr. CROTHERS: Oh, oh.

Mr. MACLEAN: I propose to show that it was procured and solicited by the Government for the relief of their own political troubles and that it reflects no official opinion whatever in Great Britain. He dislikes the idea that this contribution should be designated, as a tribute. Speaking for myself, I hardly think that the contribution proposed under this Bill is tribute money; but I say it is conscience money, paid or attempted to be paid by men guilty of political sin. We on this side of he House think that the wrong people are asked to pay the money. We say that they have no justification for taking from the treasury of this country thirty-five million dollars, simply to save their consciences, and to save them from the evil effects of their political misdeeds.

The hon. gentleman further stated that we on this side make the assertion, as a ground of opposition to this Bill, that England does not need this money. Generally speaking, that is true. In answer to that, we say that from the financial standpoint England does not require our assistance. If she did, hon. gentlemen on this side would rush to the support of England with our friends on the other side, and would tender to her not only thirty-five millions of dollars, but any amount within our ability to pay, to maintain her supremacy.

The hon. gentleman laid down two or three other propositions in a positive form. He said that this Bill has already been approved by the country. I deny that proposition; I say this Bill was never submitted to the people of this country, directly or indirectly, in whole or in part. He says that the naval policy of the Opposition, as enunciated when the Government led by my right hon. leader was in power, has been disapproved of by the electorate. I equally deny that proposition, as not being true in fact. The hon. gentleman further says that the principle of contribution was an issue in the last election. I deny that. I further deny that hon. gentlemen opposite ever were, during the whole history of the naval question in this country, in favour of contribution. I deny that they are genuinely in favour of it now. I say that this Bill, involving, as it does a contribution of $35,000,000, is here only because of the political misdeeds of hon. gentlemen opposite, and not as a matter of principle, not as a matter of need, not as a matter of urgency. The hon. gentleman, asks this House to support the measure upon the ground that there is an emergency. He says that the memorandum, is evidence of it, and he further says that it voices the sentiments and views of the leading public men of England. I deny, and will endeavour to show, before I conclude my remarks, that there is not the shadow of a shade of evidence of emergency in that document. I challenge him or any other hon. gentleman in this House to refer us to a statement made by any experienced public man in England, upon either side of politics, to the effect that there is any emergency in England justifying this contribution. I shall endeavour to show that the emergency hon. gentlemen opposite have in mind is a political one, and it was the Government and its followers who were in emergent circumstances.

Having said this in a general way concerning the remarks of the Minister of Labour, I will proceed to a presentation to the House of my views upon the Bill. At this stage of the debate it is perhaps difficult to contribute anything that is new to hon. gentlemen on either side upon this measure. The Bill involves so many important considerations that it is almost impossible to measure accurately what will be the consequences of it. Hon. gentlemen opposite, with few exceptions, so far have attempted the justification of this Bill upon the theory of the imminence of war and impending danger to the prestige and permanence of the British Empire. I submit that the foundation upon which they propose to establish the merits of this Bill is absolutely wanting. I repeat that they have not proved that there is an emergency. I submit that their alarms and fears are groundless and the reasons given for them unproven, and consequently their whole argument falls to the ground. I say also that it is incumbent upon hon. gentlemen opposite, before they ask this House to accept the Bill, to prove to the satisfaction of the country, that the prestige and permanence of Great Britain is in any respect in danger. I repeat that so far there has not been a tittle of evidence to support that position.

Hon. gentlemen opposite seek to accomplish their purpose through artificial fear and alarm. They fear the sober judgment of men, and the manner in which this Bill was presented to the House on the 5th of December indicates this. The Prime Minister presented the preliminary resolution to the House in a very theatrical manner. This was the stage, and there were many stage managers. The whole setting of this Chamber on that day displayed artificiality throughout, and there was nothing left to natural and spontaneous impulse. In carefully prepared words, solemnly uttered, the Prime Minister delivered his message, and let me say that that message was delivered to the newspapers of Canada and

Great Britain before it was presented to the representatives of the people in this House. We listened to the heralds of war, and we could almost see the waters of the ocean stained with the blood of the victims of a great naval conflict between the two greatest powers of the world. We are told that the clouds were low and heavy; we were asked to listen to the booming of the thunder and to look at the lightnings flash upon the horizon; and, with this vast amount of eclat and unnecessary theatrical display, this measure was presented to the House. At that time, I suppose, and perhaps for a short time afterwards, some hon. gentlemen of this House—and possibly some persons outside of the House—were disposed to attach a certain degree of importance to the statement of the right hon. gentleman. But time, in its ceaseless flight, works many changes, and public opinion in respect to this matter has, since then, changed very much. Many weeks have since passed, an opportunity for consideration has been afforded, and public opinion in this country will change from this time henceforth to as great an extent as it has during the past seven or eight weeks. The war story that was told to this House when the Prime Minister made his statement is now but as as a tale that was told; even the talk of emergency has been almost dropped by hon. gentlemen opposite. They profess a strong dislike for war. They pray that in the future we may have peace, eternal peace. The groundwork upon which the minister based his conclusions on the 5th day of December last has either passed away or been forgotten by hon. gentlemen opposite. In the country generally reasonableness and calm judgment are being manifested. While I would not, of course, be justified in making the statement that hon. gentlemen opposite are opposed to this measure, I am sure I can safely say that in principle the judgment of this country at this moment is against the principle of the Bill.

Hon. gentlemen say: 'You discuss this measure in a partisan way; you are introducing politics,' and one hon. gentleman quite recently asked: 'Why don't you take the word of the Prime Minister as to the fact of an emergency?' I ask, why should we accept the statement of any hon. gentleman on the other side as to the fact of an emergency? Do they ask me to believe that their record upon this question is such, that I should accept the judgment of the Government as final? I would gladly do so if it were possible, but the conduct of hon. gentlemen opposite during the past three or four years upon this issue precludes that pleasant possibility. I may tell hon. gentlemen opposite that we are against this measure. Perhaps we are partisans, but we are partisans of truth and honesty; we hate deception, and we refuse to bend our knees to the war gods which hon. gentlemen opposite are seeking to set up.

This Bill involving the question of naval defence, demands, I concede, full consideration. It is a very important measure, because it indicates first our acceptance and recognition of the responsibilities attaching to us as citizens of a nation and subjects of an empire. It is important because it invites consideration of the problem of the defence of a widely scattered empire, its parts being politically autonomous—a situation without analogy in the world's history. It is a question not only of to-day, it is a question which concerns the future as well, and I am sure that hon. gentlemen opposite will concede that the whole matter suggests difficulites. In this proposed legislation we are ploughing new ground, and our horizon is limited by our experience. To-morrow, and as the years go by, our paths will be gradually illumined by the experience which will come to us; but to-day we are dealing with an important problem which must be settled in the light of our own experience, and in the most practical way. In my judgment, the course is clear. The proper course for Parliament to pursue in this case is, the continuance of the idea of a Canadian naval policy, as promulgated in this Parliament in 1909.

What is the issue respecting naval defence? First, shall there be a contribution to the British Admiralty in ships or money? Technically speaking, the Bill proposes to make a contribution of three ships; practically speaking, it is a contribution of $35,000,000. If it is to be one or the other, I approve of making it $35,000,000. Hon. gentlemen say that these ships can be recalled by Canada at any time in the event of her establishing a Canadian navy; but if we contribute to the British navy these three ships, as proposed by this Bill, we should allow them for ever to be the property of the British Admiralty. I do not know whether hon. gentlemen on this side will follow me to this length or not; but I disapprove strongly of the contribution of these three ships to the British navy with a string attached. If this Bill becomes law by the action of Parliament, I do trust that the Government will propose an amendment to the effect that if there is to be a contribution it shall be in money and not in ships, or in ships without recall. Practically it is that anyway.

Further, it is proposed that these three ships shall be the greatest engines of naval warfare that money can supply or science devise. They shall be the three greatest warships of the world. That being so, their proper place, so long as they are afloat, is under the direct control and ownership of the British Admiralty. They will not for quite a time have a proper and fitting

place under any Canadian naval scheme. If the Government in the future adopt a permanent Canadian naval policy, why should these three great ships be found included in the Canadian navy? Could they not perform more effective service for the Empire where it is now proposed to place them? And, further, it does not harmonize with the aspirations of the peace-loving people of this country that the three greatest naval ships of the world shall be found among the naval ships of a comparatively new country like Canada.

Shall it be by contribution, or shall it be by the establishment of a Canadian navy built and manned as far as is possible in Canada, thus assuming a fair portion of the burden of Imperial defence, and ready, so far as our strength goes, when needs be, to battle for the maintenance and supremacy of the Empire? That is the issue. Another and perhaps a better way of putting the issue is, whether there shall be a continuance and extension of the Canadian naval policy unanimously agreed upon in 1909, or, whether that policy shall be abandoned temporarily or permanently, and a contribution in money made to the British Admiralty. I submit that, after all, that should be the issue: whether we are going to continue and extend the present Canadian naval policy. Before this Bill has passed this House, I shall expect the Government to declare their policy respecting the Canadian Naval Service Act which is now in force. They are in honour bound to proceed with the extension of that policy or to repeal the present Naval Act. They should continue to recruit sailors for the Niobe and the Rainbow or sell those ships.

I approve of the idea of a Canadian navy and of the continuance and extension of the Canadian naval policy as outlined in the Naval Service Act of 1910, and I shall give two or three leading principles in justification of my position. First of all, I believe in it because it is an affirmation of the previously declared and unanimous policy of Parliament, and no reason has yet been given for its abandonment. This Bill is in essence an abandonment of the existing Act, and it is incumbent on hon. gentlemen opposite to give to this House a reason for departing from that policy. I believe in the Canadian naval policy because it harmonizes with the opinion of such of our population as yet believe in an expenditure for naval purposes, and because it is the natural, the economic, and the patriotic course to pursue in this country to-day. The Bill is merely a concession to that opinion which preaches war unceasingly, and in no respect does it appeal to true Canadian opinion. I believe in the Canadian naval idea by reason of its gradually educative effect. It will the sooner develop in this new country, with its varied population, a sound public opinion upon the necessity of naval defence and sea-power, and will the more readily guarantee from Parliament a constancy and uniformity in money expenditures and in friendly legislation. Thus we shall by degrees evolve in this country a truly national and imperial spirit, in matters of defence, all of which will tend to lift the question of naval expenditures beyond the realm of party politics. I believe in the Canadian naval idea, further, because at this stage in our history it is a greater guarantee of a united Empire and cordial inter-imperial relations than a money contribution to the British Admiralty, as is proposed by the Bill. Centralization is the view of those who are blind to the lessons of history and of those who will learn no lesson from human experience. There is no emergency or threatening danger to justify the settlement of the question of naval defence upon other than principle and permanent policy; and this is the opinion of the best authorities in the British Empire. These are, in a general way, my views concerning the policy which Canada should pursue, in respect to naval defence, and some time during the course of my remarks I shall discuss them separately, and shall endeavour to give reasons for the opinions which I entertain.

Mr. PELLETIER: I am following closely what my hon. friend says, but I was out for a few minutes, and I am not quite sure if I have exactly understood what he said. Do I understand the hon. gentleman to say that, so far as he is concerned, he would prefer a money grant to building ships which could be recalled?

Mr. MACLEAN: That is my personal opinion. Now, before proceeding to discuss the several propositions which I have just enumerated, I wish to make brief reference to one or two unfair arguments that are made from time to time against those who oppose the Bill.

On more than one occasion I have heard hon. gentlemen opposite designate the course of those who oppose the Government proposals as unpatriotic. Sometimes we hear the word 'disloyal' used. Now, Mr. Speaker, this form of attack is a more dangerous one than those who use it, know. Any reflecting, intelligent man in this country will, or should, always deprecate that form of attack. You can hardly see the consequences of it. If you study the history of our own Empire in the past, as well as that of other countries, you will find that nothing tends to create such an amount of disastrous political disturbance in a country as one political party questioning the loyalty and patriotism of another political party. That form of argument can only succeed a certain distance till political chaos will follow. No civil power could combat the storms which would

follow that form of discussion of public questions, or of that form of attack against one of two political parties. I do not say that hon. gentlemen opposite collectively use that argument. I know that many of them do not. I hope that no thoughtful, honest or intelligent citizen will resort to it. No free and intelligent man will suffer the imputation to be made with impunity. I say it is unjust and dishonest; and it seems like gross flattery, and perhaps profanity, to brand the men who adopt that argument as cowards. If that form of attack is persisted in, there will come a time when men will not tolerate it, and will find some means of resenting it in a very forcible fashion.

The right hon. the Prime Minister of this country was in England last year, and he took upon himself, upon almost every occasion on which he addressed the British public, to certify to the loyalty of Canadians. I am speaking for myself on this question, and say that I do not want the Prime Minister to issue his certificate of my loyalty here or anywhere else. I say he has no right to do so, either on my behalf, or on behalf of the people of this country. It is absolutely unnecessary. I am not making an attack upon the right hon. gentleman. For all I know, my esteemed and distinguished leader may have done the very same thing when he visited England as Premier of this country. If so, I say to him, as well as to the present Prime Minister of this country, that it is about time that the use of these words in that connection for ever ended. I have an extract from a newspaper which professed to summarize the remarks of the Prime Minister in England last summer, when certifying to the loyalty of Canadians. I am not quite sure that this paper has epitomized his exact words. Perhaps it was playing upon them just a little bit, but nevertheless they repesent the sense of his statements. This paper presumes to give the following as excerpts from some of his speeches:

I bear witness that Canada is loyal.

Canada's loyalty is strengthening every day.

The loyalty of Canada is unshrinkable and imperishable.

Dare any man doubt Canadian loyalty?

We are bone of your bone, flesh of your flesh, and blood of your blood.

If any man impugn our overlasting and ineradicable loyalty, let him be anathema!

Language fails me to adequately express the unsoundable depth, the immeasurable height and the incandescent intensity of Canadian loyalty.

I think the writer was possibly dealing humourously with the Prime Minister's remarks, but words conveying the same sense cannot but have an effect in England. Englishmen have cultivated the habit of coming here, and going back and certifying to our loyalty, and one can hardly blame them. This paper also records a fact which I might give to the House. It immediately follows the quotations which I have just given. It is recorded as an effect of the statements made by the Prime Minister of Canada in England:

Aas a result of these eloquent and repeated assurance, Mr. E. Mastin, of No. 2 Chesnut Walk, Stratford-on-Avon, has announced her determination to present to the Canadian Government a small museum of relics of loyalty, among which are a few odd pieces of genuine, old and venerable crockeryware; these articles being a direct reward for, defeating that horrid reciprocity; So there now!

Having protested good naturedly against intermittent and occasional charges of disloyalty made by members of the Conservative party against the Liberal party, and having protested against the loose and senseless use of that word in and out of this country, I will here drop that particular objection that I have endeavoured to answer.

I now wish to refer very briefly to an argument advanced by the right hon. Prime Minister (Mr. Borden) and the hon. Minister of Marine and Fisheries (Mr. Hazen) when they spoke upon the resolution upon which this Bill was founded. I have in my mind particularly the remarks of the Minister of Marine and Fisheries. He advanced as a reason and justification for the adoption of this measure the fact that Great Britain has made expenditures of many millions of dollars in Canada in the eighteenth and nineteenth centuries. When that argument was advanced I naturally protested against it. I believe every hon. member on either side of the House objects. It is unworthy of a member of a government to advance an argument of that kind. You would get no member of an English ministry to use it as a justification for naval contribution. The expenditures made by the Imperial Government in Canada were for Imperial purposes altogether and were so intended. They largely were for naval purposes, but some were for military purposes. Incidentally, it meant protection to Canada as well, but primarily these expenditures were made, not for the protection of Canada, but for purely Imperial purposes. If British North America were not British territory, or had never been, there was a time in the eighteenth century when England would have made tremendous sacrifices for some territory in this part of the North American continent because she needed a base on this hemisphere in order to assert her foreign policy. We all, on one side as well as the other, appreciate the material and moral value of our British connection, but that appreciation is not intensified by the number of

dollars spent in Canada by the British Government for naval or military purposes. It is un-British argument to advance, and I refuse to measure my appreciation of British connection by the standard of dollars expended.

I wish to proceed to the first proposition that I laid down in the beginning of my remarks, namely, that the Bill before us is an abandonment of the unanimously declared policy of the Canadian Parliament in 1909 and no reason has yet been given for its abandonment. I desire to deal very briefly with the steps leading to the promulgation of that policy and some of the steps relative to its abandonment by the political party which to-day find themselves on the treasury benches. It is uninteresting, I know, to hon. gentlemen, to be reiterating political history and facts which have been given to the House on many occasions by previous speakers, but nevertheless it is necessary for me to do it. The facts which I propose to give to the House, will bear repetition. It is extremely important that we do not permit to pass away from our minds the early naval history of this country. You cannot fairly discuss this Bill if you do. This measure has become a political one. We say that hon. gentlemen opposite are responsible for it. Personally, I believe they are guilty of the greatest political crime ever committed by a political party in this country. Personally, I do not propose ever forgetting it, whether I have the honour of a seat in this Parliament or not. I am always ready and willing to accept in the best possible spirit, the conflicting opinions between one party and another, but the complete reversal of policy respecting naval affairs is difficult to view with equanimity. There are other matters in connection with the early history of this naval policy which I hope to refer to before I have concluded. We know they were playing to the prejudices of a certain province. They knew they were playing with fire, they knew that possibly that game was fraught with terrible consequences to this country and if they find themselves in an uncomfortable position to-day they alone are responsible for it and they must pay the penalty. In 1909, there came, like a bolt from the blue, to the English people the idea, whether rightly or wrongly, that the navy of the German nation was rapidly growing in numbers and strength, to such a degree as to prejudice England's supremacy on the seas and to destroy the two-power standard. A statement to that effect having been made by Mr. Balfour, it made a deep impression upon the people of England and of the overseas dominions. In the month of March, 1909, the Minister of Trade and Commerce discussed in this Chamber the British naval situation in effect as stated by the Hon. Mr. Balfour. It was a most interesting and impressive occasion by reason of the unanimity of hon. gentlemen on both sides of the House. The Minister of Trade and Commerce, who moved the resolution, on that occasion expressed his view as to the naval situation in Europe. Mr. Foster said:

To-day peril stands at the gateway. It is not for me to say how great it is, but I cannot brush it aside. To-day it impresses itself upon the greatest statesmen of the Old Country; to-day it appeals to Australia until public subscriptions are taken, and the Government is being importuned to do even more than its settled policy to meet the emergency; to-day little New Zealand gives one dreadnought and offers a second, and, to-day Canada faces that position of peril, that Imperial emergency.

That was an alarming pronouncement. The Right Hon. Mr. Borden spoke on that occasion, and he recognized the force of the remarks of Mr. Foster in respect to the threatened attack upon Britain's naval supremacy. And what was the culmination of that debate? It was in the form of a resolution, from which I shall read two paragraphs. Bearing in mind the alarming statements made by the Minister of Trade and Commerce, I call attention to what was then the unanimous conclusion of the House:

The House will cordially approve of any necessary expenditure designed to promote the speedy organization of a Canadian naval service in co-operation with and in close relation to the Imperial navy along the lines suggested by the Admiralty at the last Imperial conference and in full sympathy with the view that the naval supremacy of Britain is essential to the security of commerce, the safety of the Empire, and the peace of the world.

That was the deliberate judgment of the House in the face of a situation which was conceded to be alarming, and threatening to Great Britain and the overseas dominions, and still in the face of that real danger, we unanimously agreed that our duty was to commence the construction of a Canadian navy. Then, the other part of the resolution read:

The House expresses its firm conviction that whenever the need arises the Canadian people will be found ready and willing to make any sacrifice that is required to give to the Imperial authorities the most loyal and hearty co-operation in every movement for the maintenance of the integrity and honour of the Empire.

It is under this last clause of the resolution that emergency aid is justified. The present leader of the Opposition and the present Prime Minister in 1909 agreed, and they still agree, that there may be such a thing as an emergency programme and that there is such a thing as a Canadian

naval policy. That, of course, is largely a question of fact, but I want to point out to hon. gentlemen this, and perhaps I had better put it in the form of a question: If in 1909 you gentlemen opposite believed that no special contribution was necessary but that a Canadian naval policy was sufficient, how, in the light of present day facts, do you justify the measure which you ask this House to accept? Perhaps, just at this stage, I might read what the present Prime Minister said in 1910. He believed in 1910 when the Naval Service Bill was being considered by this House, that an emergency still existed and he said:

> Has the peril passed? No, Sir, we are nearer to it by nearly a year. Has Germany's policy been modified in the meantime? No, on the contrary, Germany has put forward the greatest naval budget in her history. It is idle to assure us that there will be no war. The war has already begun, the war of construction, the victory will be as decisive there as in actual battle. Does the dissolution of the Empire signify nothing to Canada and her people?
>
> I say to my right hon. friend the Prime Minister, so far as my words have any weight with him: Go on with your naval service.

Later, I propose asking, how the present Prime Minister and his ministry and supporters, believing, if they did believe, that an emergency has existed since 1909, delayed until the 5th of December, 1912, to meet that emergency. Well, Sir, no greater danger confronts the British Empire to-day than did in 1909. There is not the same amount of alarm and concern in the minds of the British public to-day as there was then, and present English public opinion endorses that idea. The contribution in the form proposed is as unnecessary and objectionable as it was then, and it is incumbent upon hon. gentlemen opposite to give to this House reasons for their change of position; and those reasons should be substantial.

I say again, that the reasons for starting a Canadian navy are as strong to-day as in 1900. Hon. gentlemen opposite have no right to say: We are going to bring down a Canadian naval policy some day. The mandate of Parliament to commence the construction of a Canadian navy is unrepealed, and they have no right to delay it. Time cannot change a principle. The political exigencies created between the Nationalists of Quebec and the Conservative party can never change a principle. 'Truth crushed to earth will rise again,' and the Government cannot hope to crush what I believe are the aspirations of Canada upon this question by giving us this Bill. We unanimously erected the stage upon which to play the drama of a Canadian navy in 1909. The footlights were lighted; the play and the players were collected, the audience, Canadian citizens, were fairly satisfied. They were fairly satisfied because the leaders of public opinion were the authors of the play. It is true there had been no appeal to the electors. We unanimously agreed that the occasion was such that no immediate appeal to the people was necessary. There are occasions when it is for the leaders of public opinion to formulate public opinion upon great issues. There are occasions when you cannot look to any but the leaders of public opinion to lead the people upon the right course in matters of public affairs. The footlights are burning dimly to-day; some of the players and some of the audience have left; and the natural query is: where and why have they gone? Mr. Speaker, echo answers where, and why? No answer is forthcoming from hon. gentlemen opposite. It cannot come; we need not expect it. There is no answer; but there is a reason which should never be forgotten.

At six o'clock, the House took recess.

After Recess.

House resumed at eight o'clock.

PRIVATE BILLS.

CANADA HAIL INSURANCE COMPANY.

House in Committee on Bill No. 78, to incorporate the Canada Hail Insurance Company.—Mr. Aikins.

On section 1—incorporation:

Mr. OLIVER: Has an explanation been made to the committee as to the purpose of this Bill?

Mr. AIKINS: The Bill is simply an incorporation of a hail insurance company, with the ordinary powers.

Mr. BELAND: In what respect was it amended?

Mr. AIKINS: It was amended by increasing the amount of the capital and the amount to be paid up before it commences business.

Mr. OLIVER: I notice that clause 7 states that the company may make contracts of hail insurance. That seems to be very unlimited and indefinite, and I think that for the protection of those who find it necessary to take out hail insurance there should be some more definite statement than that contained in these words. Is there any general legislation making that provision?

Mr. AIKINS: Yes. The general legislation which is incorporated in this Bill is found in the Insurance Act.

Mr. OLIVER: If this Bill is passed in its present form, will it then be in con-

formity with other Bills of a similar nature that have been passed by this House?

Mr. AIKINS: Yes. I am informed by the Insurance Department—and they have approved of the Bill—that it is in exact conformity with other Bills that have been previously passed.

Section agreed to.

On section 3—capital stock:

Mr. BUREAU: I have the original Bill before me, and it states that the capital stock shall be $100,000.

Mr. AIKINS: The capital stock has been increased to $150,000, and it is provided that it may be further increased to $300,000.

Section agreed to.

On section 7—business:

Mr. BUREAU: Do I understand the promoter to say that others Acts incorporating similar hail insurance companies have been consulted in the preparation of this Bill, and that there is nothing in these provisions that does not exactly conform with other Acts?

Mr. AIKINS: We were so informed by the department when the Bill came before the committee, and I believe that is the case. The hon. gentleman will notice that clause 8 provides that the Insurance Act shall apply to the company.

Mr. BUREAU: Clause 7 states that the company may make contracts of hail insurance, but there is no indication of what may constitute such a contract.

Mr. AIKINS: That is provided in the Insurance Act.

Section agreed to.

Bill reported.

ATHABASKA NORTHERN RAILWAY COMPANY.

House in Committee on Bill No. 7, respecting the Athabaska Northern Railway Company.—Mr. Turriff.

On section 1—extension of time:

Mr. OLIVER: What was the amendment?

Mr. LANCASTER: That section was not amended in the Railway Committee.

Mr. BUREAU: Do I understand that the Bill was amended in the Railway Committee?

Mr. LANCASTER: Sections 1 and 2 are exactly as passed by the railway committee the additional clauses were added for purposes which I will explain when we come to them. The other amendments to the Bill are simply to make it conform to the standard clauses which we insert for the protection of provincial and municipal rights as to water-powers, highways, &c.

Section agreed to.

Bill reported, read the third time, and passed.

PATENT OF A. D. RICHARD.

House in Committee on Bill No. 100, respecting a patent of Hon. Ambrose D. Richard.—Mr. Fowler.

Mr. OLIVER: I think the House should have an explanation of the purport of this Bill.

Mr. PUGSLEY: I presume that the committee has had satisfactory reasons given to it as to why time should be given the patentee to comply with the Patents Act. I think this Bill is in the usual terms where such application is granted.

Mr. CURRIE: What does it deal with?

Mr. PUGSLEY: With the composition of matter for paint. I do not see very much objection to dealing with this as it has been dealt with many times in the cases of owners of patents.

Mr. WHITE (Minister of Finance): As stated by my hon. friend, the Bill is in the usual form, but the Chairman of the Private Bills Committee is not present, and if any hon. gentleman desires it to stand over, probably it would be better to let it stand to ascertain the facts. I have no doubt the facts have been made known to the committee.

Mr. OLIVER: This Bill, extending a patent right, affects the interest of the public that this House is here to protect, and while I do not wish to prevent a proper extension of the patent right, I think it is due to the members of the House that the gentleman promoting the Bill, or the chairman of the committee, should give the reasons for the action which it is proposed to take.

Mr. WHITE: I entirely agree with my hon. friend in regard to that. I have no doubt the facts have been made known to the Private Bills Committee, but they have not been made known to me, and I suggest that the Bill be allowed to stand.

Progress reported.

PATENTS OF F. J. NEWMAN AND OTHERS.

House in Committee on Bill No. 101, respecting patents of Frederick Jacob Newman and others.—Mr. Macdonell.

Mr. OLIVER: The promoter of this Bill is here, and I have no doubt, can give the

committee such explanation as will be necessary.

Mr. MACDONELL: The Bill was very fully discussed in the committee. I am sorry that the hon. member for South Wellington (Mr. Guthrie) is not in his seat, for, although the Bill stands in my name, he took a more active part in the matter, perhaps, than I did. However, the facts are that these two patents which it is now sought to renew were not renewed through pure inadvertence. The only offence committed by the proprietors of the patents was that of not paying the renewal fees. They have not violated the Act by importing the invention, or by not manufacturing it within the period, or in any other way; but, through inadvertence, owing to the fact that the owner of the patents was travelling and did not receive the notice which the patent office sent out, the fees were not paid. The proprietor of the patents, in fact, did not know that the patents were renewable and that he had to pay fees from time to time. The patent solicitor appeared before the committee and proved that he had sent notice from the Government offices at Ottawa to the owner of the patents calling upon him to renew them, and the letters sent had been returned to the post office, proving that the owner of the patents did not get the notice. He therefore did not act contumaciously, or in defiance of the patents office. In the belief that his patents were still alive, the patentee has incorporated a company which includes certain prominent men in the city of Guelph who have contributed a certain amount of money—I do not know how much but considerable amount—and they are now embarked in the manufacture of this article in the city of Guelph.

Mr. CURRIE: What is it?

Mr. MACDONELL: It is a patent for an axle for electric vehicles. The patentee also explained that, during the early life of the patent, there was no demand for an article of this kind, and that it had not been actively prosecuted, but latterly, owing to the improvements in motor vehicles and electric vehicles, this article has become of considerable value, and, as I have said, a factory has now been established in the city of Guelph, on a very considerable scale I understand, and sufficient money has been put in to enable manufacture. The parties are prepared to go on and manufacture in a large way providing that this patent is renewed, but they stated before the committee their unwillingness to go into the matter unless they received protection. The committee without a dissenting voice, I think, and having heard all the facts, passed the Bill.

Mr. SHARPE (North Ontario): When does it expire?

Mr. MACDONELL: The default was for some length of time, I think for some years; but as I have said, it was purely through inadvertence. A sworn statement was put in, the member for South Wellington testified to the willingness of this company to manufacture, and the Bill went through without a dissenting voice.

Mr. OLIVER: Was there any protest made in the committee against the passing of the Bill?

Mr. MACDONELL: None whatever, and the usual safeguards were put in, so that if any person was adversely affected, his interests would be protected.

Mr. BUREAU: There was no amendment made to the Bill as it is now printed?

Mr. MACDONELL: None whatever.

On section 2—certain rights saved:

Mr. BUREAU: May I ask why the 9th of November has been put in, instead of the date of the coming into force of the Act? It says:

> If any person, other than any licensee, has in the period between the expiry of six years from the dates of the said patents and the 9th day of November, one thousand nine hundred and twelve, commenced to manufacture, use or sell any of the patented inventions covered by the said patents respectively.

Mr. MACDONELL: Any party who may have commenced to manufacture after the default occurred is protected, and can manufacture still.

Mr. BUREAU: But what is the reason for putting in the 9th of November, instead of the date of the coming into force of the Act.

Mr. MACDONELL: That is the date of the expiry of the patent owing to the default of the owners.

Mr. SHARPE: Possibly that is the date of the notice applying to Parliament for this special legislation.

Mr. BUREAU: That right ought not to be restricted until the Act comes into force, because there is actually no patent in existence until this Act is passed.

Mr. SHARPE: The moment the parties apply for legislation, they may take it up and begin to manufacture.

Mr. OLIVER: I do not think that is a good reason. These people were in default and they remain in default until the fault is cured by legislation of this Parliament. They are not entitled to protection such as my hon. friend has suggested.

Mr. BORDEN: I would like this Bill to stand for a little further consideraton.

as my hon. friend the Minister of Agriculture (Mr. Burrell) cannot be here tonight, and I would like him to be present before it is finally considered.

Progress reported.

CANADIAN ACCOUNTANTS ASSOCIATION.

House in Committee on Bill No. 88, to incorporate the Canadian Accountants Association.—Sir Rodolphe Forget.

On section 1:

Mr. OLIVER: I have received a very strong protest against this Bill from the chartered accountants at Edmonton. I do not know if that is any good reason for preventing the passage of the Bill, but I would like to have some reasonable explanation of the purpose of the Bill.

Mr. WHITE (Minister of Finance): I also received a communication from the president of the Domnion Chartered Accountants Association with respect to this Bill some time ago. The matter was given very close attention by the hon. member for Argenteuil (Mr. Perley). Before the Private Bills Committee, where this Bill was considered, the president of the Dominion Chartered Accountants Association appeared and, I understand, reached an agreement as to the Bill in the form in which it now appears before the House. On the face of it, this Bill, I think, required very careful consideration. I understand, for the information of my hon. friend from Edmonton (Mr. Oliver), that the Dominion Chartered Accountants Association embraces in its membership the chartered accountants of all the provincial associations, and it appears by the regulations of the Quebec Chartered Accountants Association that only those can qualify who have been engaged in business and have had their signs out, so to speak, for a certain period, I think, one year. These gentlemen, who are promoting this Bill, are men who, I understand, are well qualified as accountants, but they are engaged in offices such as the Canadian Pacific railway and other important offices. I think that no question arises as to their qualification. They were unable to qualify under the regulations of the Provincial Chartered Accountants Association and they take this means of incorporating themselves into an accountants association. I understand further that the Bill was amended by the Private Bills Committee so as to provide that this association should be subject to the provincial laws with respect to accountants associations. That seemed to remove all objection on the part of the Dominion Chartered Accountants Association and I was informed before coming into the House this evening by the hon. member for Argenteuil that the president of the Dominion Chartered Accountants Association had signed, as acceptable to the association, the Bill in the form in which it now appears. I do not know the facts myself, but I pass them on as I understand them.

Mr. BUREAU: An objection was raised in the Private Bills Committee in addition to the one stated by my hon. friend the Minister of Finance, and it was one which could not be disposed of by common consent. It was that accounting, as it was discussed before the Private Bills Committee by Mr. Stevenson, Chairman of the Dominion Association and by Mr. Edwards, was a matter involving a technical education and one of the members of the committee, whom I do not see in his seat tonight, raised the question that, if we had made a mistake by granting a charter to the Dominion Accountants' Association, we should not repeat the mistake by granting this one. The question of provincial rights and of the authority of the provinces being exclusive in such matters was raised when I was in the committee that day. I submit it to the committee so that hon. members will know exactly what questions were raised when the application for the charter was under consideration. I am in favour of this Bill and I do not see why, if the Dominion Chartered Accountants Association can get a charter, these gentlemen can not. I fail to see why, because a man is a salaried man, he should not be as good an accountant as a man who has had his shingle out for a year and perhaps has never done any accounting during that period.

Mr. WHITE (Minister of Finance): The section which was added to the Bill I shall now read to the committee:

> Nothing in this Act shall be construed to interfere with or impair legislation upon the subject of accountancy now or hereafter enacted by legislative authority of any province of Canada, or as giving to members of the association the right to use any name, title, initial or description as accountant in contravention thereof.

That was the section which was added to meet the objection which was raised.

Mr. SHARPE (Ontario): That will not make it subject to provincial authority.

Mr. WHITE: If the province has jurisdiction, this Act does not purport to override that jurisdiction.

Mr. STEVENS: I think there is a point in connection with this Bill that has been overlooked. I am not a member of the Private Bills Committee and it may have been discussed there. There is in existence

at the present time the Dominion Chartered Accountants' Association. It was incorporated by an Act passed in 1902. That Act is almost identical in its words with this Act, with the exception of some minor differences including the one referred to by my hon. friend the Minister of Finance (Mr. White) regarding affiliation with the provincial organizations and also this last clause which has just been added. The point I wish to make is this: the general public accept a man who claims to be an accepted member of an accountants' association as being more competent and better fitted for important business in the auditing line than a man who does not belong to such an association. It is true that a member of this association will not have the right to the letters C. A. after his name without coming under the jurisdiction of the provincial legislation, but he will have the right to hang out a shingle that he is John Jones, member of the Canadian Accountants' Association. To the average person, who is not familiar with the various forms of legislation, it will be confusing, or in other words, it will convey to the public the idea that this man, who is a member of this Canadian Accountants' Association, is a chartered accountant. By clause 2 you will find that power is given to hold examinations as found expedient and to grant certificates of efficiency. This is exactly the same power as that which is enjoyed by the Dominion Chartered Accountants' Asociation. Then, in connection with by-laws, it says that the objects of the association shall be carried out by by-laws and resolutions passed by the directors and confirmed by the members. I would like to draw the attention of the House to the fact that, in the Bank Act, it is proposed that there shall be an outside audit, that is that the bank's affairs shall be audited by firms of chartered acountants. It behooves the Government at this particular time to see that every safeguard be taken in respect to those who may be qualified to audit the affairs of the banks. I am quite in accord with that proposal in the Bank Act, but at the same time I am thoroughly convinced that we must have more stringent regulations as to who shall be qualified accountants to examine into the affairs of a bank or any other institution. A large number of men creep into these associations in some way or another, hang out their shingles; are willing to sign balance sheets very recklessly, and some of them are absolutely unfit for the position. These balance sheets are then put before the people in prospectuses, and if signed by a chartered accountant the people are inclined to accept them as bona fide balance sheets. A good deal of money is invested in the country on the strength of such certified balance sheets. The time has arrived when we should very carefully scrutinize all legislation relating to chartered accountants. In past legislation, both in the Dominion and in the provinces, the regulations governing chartered accountants have been entirely too lax. I am strongly opposed to bringing into existence another association which is to a large extent a duplicate of one already existing. I agree in the statement that possibly a mistake was made in not putting more restrictions in the former Act, and I doubt if it is wise for us to pass the present Bill.

Mr. CARROLL: I would ask the Minister of Finance: if this association is granted incorporation, are there any safeguards with respect to the by-laws which may be passed by it?

Mr. WHITE (Minister of Finance): This is a private Bill, and the explanation I have given to the House in answer to my hon. friend from Edmonton (Mr. Oliver) was passed on to me for the purpose of submitting it, should it be required. This is a Bill which should receive very careful consideration and I am inclined to think it had better be allowed to stand, especially as the Chairman of the Private Bills Committee and the promoter of the Bill are not present. I am unable to answer the question of my hon. friend off-hand, but I will look into the matter myself, and I shall also ask the chairman of the committee to consider the suggestions.

Mr. CARROLL: I would like the Bill to stand, as I have some interest in it. I hardly think it is proper for the Parliament of Canada to pass such a local Bill as this on the face of it appears to be.

Mr. BUREAU: It was explained in the Private Bills Committee that the by-laws passed by the association must be submitted to and ratified by the Lieutenant-Governor in Council of the province where the by-laws are passed.

Mr. PUGSLEY: I would suggest that the Minister of Finance should consider whether this company can properly be incorporated by this Parliament rather than by a provincial legislature. Under the British North America Act all Bills of a local and private nature are exclusively within the jurisdiction of the provincial legislature. This Bill seems to be purely local in its nature and all the incorporators reside in Montreal.

Mr. SHARPE (North Ontario): The members of it may be all over the Dominion.

Mr. PUGSLEY: I doubt if that gives this Parliament jurisdiction.

Mr. WHITE (Minister of Finance): I believe that feature of it has received consideration and that the Bill is not objectionable on that score. However, this is rather an important Bill and we will take time to look into all these matters.

Progress reported.

BILLS CONSIDERED IN COMMITTEE—THIRD READINGS.

Bill No. 105, respecting the Canadian Northern Ontario Railway Company.—Mr. Currie.

Bill No. 113, respecting the Pacific and Hudson Bay Railway Company.—Mr. Clements.

NAVAL FORCES OF THE EMPIRE.

Mr. MACLEAN (Halifax): Just before six o'clock, I had pointed out that when the debate took place upon the Canadian naval resolution in 1909, and during all subsequent discussions, both political parties were agreed that, so far as any action Canada should take, it was necessary to distinguish between an emergency and a permanent policy, and that the action that Parliament should take should differ according to whether or not, as a matter of fact, there was or was not an emergency. I referred also to the circumstance that in the year 1909 the House unanimously passed a resolution approving of any necessary expenditure designed to promote the organization of a Canadian naval servbice, and voted nothing for the purpose of emergency, in spite of the electrified condition of the political atmosphere in Europe. I then inquired why, in the year 1913, with the facts as they are, the Conservative party urge as a reason for the measure now before the House the fact that there is an emergency when, in 1909, with conditions far worse than they are to-day, they refused to declare that there was an emergency. There is no reason for this change in the attitude of hon. gentlemen opposite.

What excuse can be offered on behalf of hon. gentlemen opposite for their present position upon the naval question? There is no logical reason for it. The leader of the Government and all his supporters in 1909 supported the Canadian naval idea. It has been stated on numerous occasions during this debate that in London, in July or August of that year, the Prime Minister still adhered to his position. As late, I think, as October of that year, he addressed a political meeting in Halifax and still pronounced firm adherence to his position of the previous March. In fact, the Halifax Herald, the organ of the Conservative party in Nova Scotia, declared in its editorial reference to the meeting to which I refer, that the right hon. gentleman was going to lift this naval question beyond the sphere of partizanship, and that it was to be dealt with, so far as he was concerned, on broad statesmanlike lines. But, while the hon. gentleman was in England, an element of his party in the province of Quebec, was proving apostate. The hon. member for Jacques Cartier (Mr. Monk) was a prominent and distinguished follower of the present ruling party when they were in opposition. With him were several gentlemen, two of whom are to-day, and have lately been looked upon, as the leaders of the so-called Nationalist party in the province of Quebec, and together they declared their opposition to the naval policy proposed by Parliament in 1909. And it soon became quite apparent that in the province of Quebec the idea of a Canadian navy would be unpopular, and that a party could win popularity by opposing that policy. In the year 1910—and I am sorry to take time to relate these facts because they have been given to the House several times already—the Government introduced the Canadian Naval Service Bill, making effective the resolution of the previous session To the astonishment of all members of the House at that time and of all thinking and reading people in this country, particularly those who had been following the course of this issue, it was found that the then leader of the Opposition, now the Prime Minister, was not as sympathetic with the idea of a Canadian navy as he had been during the previous year, and he moved an amendment declaring it to be his policy that a contribution should be made to the British Admiralty, but that the Canadian naval policy should still be pursued. Now, to be frank, I must say that I never for a moment believed that the opposition to that Bill was serious, when an amendment was moved. I always looked upon it as a piece of political manœuvering, and I would not have objected had they allowed it to remain there and had they remained faithful to the position they took in 1909. But it soon became clear that the naval question was becoming a political question in this country, and that the Opposition of that period were quite willing to assume the position which would carry most grist to their mill. Later, there occurred an election in the province of Quebec, in the county of Drummond and Arthabaska, in which the naval question was the sole one. I think that was a regrettable campaign. The mere loss of the seat by the Administration of that day was not necessarily a serious matter, although it was, from their view-point, a regrettable fact that they lost the support of the constituency upon that issue, having especially in mind the nature of the campaign carried on. The Conservative party was just

as responsible for this as were the leaders of the Nationalist party; the former, exhorted the Nationalist party by letter and by telegram to defeat the Laurier candidate, upon principle or otherwise. I submit that the duty of the Opposition of that day in respect of this issue was to have made it clear in that constituency, that, having pledged their word and their honour in 1909, in favour of a Canadian navy they were, as intelligent leaders of public opinion, willing to adhere to it. I say that the Conservative party of this country can hardly ever purge themselves of their guilt in this connection. Just a year before this, they realized that this issue could not properly be made a political football and they were magnanimous enough to say that they were willing to raise this issue above a mere partisan plane. That was the course, however, they took in respect to that election, and the Conservative party have not since been faithful to the principles which they affirmed in the resolution of 1909; their pledged word was broken and has not since been redeemed. That is the excuse, and the only excuse for the position of that party to-day with respect to this measure, and it is the only reason why this Bill is now before us. Were it not for that unfortunate incident in the political history of Canada with respect to this issue, no man would urge as a reason for the passage of this Bill the fact that emergent conditions exist to-day with regard to the prestige of the British navy.

In these few words I have endeavoured to give the reason for the position in which we find hon. gentlemen opposite upon this occasion. Every one knew that the inauguration of the Canadian naval idea was not a popular one in any province of Canada, including my own. Frankly speaking, I am of the opinion that had an election taken place after the month of March, 1909, in any constituency in any province of Canada, and the issue as to whether this country should commence the construction of a navy were left to the free and unfettered judgment of the electorate of that constituency, it is entirely problematical whether the electors would have voted in favour of that policy. No formulated public opinion had been established in this country with respect to that issue, and a campaign of education, entirely relieved of political colouring was necessary. The leaders of both political parties recognized this, and that was why they pledged their word to keep this issue out of party politics. But, of all the provinces, the proposition met with the least favour in the province of Quebec. In my judgment, that was quite to be expected. I think that the people of Quebec have perhaps, been unfairly judged on many occasions, and possibly this is one of such. We should, like men, recognize historical truths, and should not hesitate to express them in this House. As I have said, it was not expected that the idea of a Canadian navy should meet with great favour in Quebec. All the more reason therefore why the word of the leaders of the Conservative party as given to this House and to the public in 1909, should have been lived up to, for a day, for a year, and for ever? To blaze the path leading to the establishment of a Canadian navy was not an easy task in any province. It was a very difficult one in the province of Quebec, but nevertheless the leader of the Opposition essayed forth upon that task, ready to take the consequences, whatever they might be, believing that he was in the right, and hoping that he would eventually receive the commendation and support of his compatriots—no matter how unpopular the issue for the moment might be—and that he would in due course receive the support of the Canadian electorate. Canadian history will speak kindly of the intrepidity of the present leader of the Opposition in pursuing a consistent course in all the provinces of Canada in respect of this issue. He made possible the step which hon. gentlemen are now pursuing, and, had he not taken the course which he did in 1910, I do not believe there is an hon. gentleman opposite possessing sufficient courage to suggest the introduction of the Bill which is now before the House for consideration.

But that is not all of the record of hon. gentlemen opposite upon this issue, which is censurable. An election took place in 1911. The Minister of Labour (Mr. Crothers) this afternoon said that the naval question was an issue in that election. The hon. gentleman quoted from remarks made by the leader of the Opposition a few evenings ago, and I admit that the words as reported in 'Hansard' do lend some colour to the statement the Minister made; but notwithstanding that, I say that, except in the province of Quebec, the naval question was not an issue.

Mr. CROTHERS: Did you hear an extract I read from our leader's speech opening the campaign in Ontario, and published throughout the whole province?

Mr. MACLEAN: I heard the remarks which my hon. friend quoted, but I must confess I did not follow him very closely. I read carefully a great many speeches delivered by the Prime Minister in Ontario, and I am positive that in those I read he never once mentioned anything about the Canadian navy. I am sure at the London, Ontario, meeting, the question of a Canadian navy was never mentioned.

Mr. CROTHERS: It was from the report of that very meeting that I read; I happened to be present.

Mr. MACLEAN: Then I stand corrected. But I venture to say that the Prime Minister delivered many speeches in Ontario in which he did not refer to the question of a Canadian navy. He did not in the province of Quebec. I can quite understand the Prime Minister referring to a navy, but he took every care never to have any distinct policy then. His idea was to have a humbug policy as nearly as he could. I shall read a section from his address to the Canadian electorate on the naval question, and that is where one would naturally expect to find an expression of his policy.

Mr. CROTHERS: You do not expect details in a manifesto of that kind.

Mr. MACLEAN: The Prime Minister was very glad to get rid of details; generalities pleased him better. In that manifesto he said:

Since the last general election the Government has entered on a new line of policy in regard to naval affairs which is of far-reaching importance.

I think it was in March, 1910, addressing the present leader of the Opposition that the Prime Minister said: "Proceed carefully, cautiously, with the construction of your Canadian navy."

The policy adopted was not debated before the people before the election and bears all the ear marks of a hasty and ill-considered scheme.

This present proposal never was discussed before the people anywhere.

In my judgment our duty to the Empire cannot be properly or effectively fulfilled by such a measure. I hold that the plan of the Government contemplates the creation of a naval force that will be absolutely useless in time of war, and therefore of no practical benefit to Canada or the Empire.

That was the opportunity to declare himself in favour of a contribution of $35,000,000 It would have been a detail, it is true, but one that could have been expressed in a very few words. But this is the part of the manifesto to which I wish to call special attention:

It will cost immense sums of money to build, equip and maintain. It will probably result in time of war in the useless sacrifice of many lives.

I think I should stop there in order to make these last words emphatic.

It will probably result in time of war in the useless sacrifice of many lives.

Why were these words inserted in this manifesto to the Canadian people? Mr. Speaker, these words should be burned deep into the minds and hearts of every Canadian. They should never be forgotten in our time. It was a despicable pandering to prejudices aroused in the province of Quebec. The Prime Minister knew that the Nationalist party, which was an anti-British party in the main in the province of Quebec, at that time, were frightening the habitants with the cry that their children would be taken from their homes, thrust upon the decks of the Laurier navy and their blood spilled in foreign seas.

Mr. CROTHERS: The habitant is not so green as that.

Mr. MACLEAN: That is why these words were inserted in the manifesto to the public, it was for that and no other purpose, and the Nationalists of Quebec seized upon these words, they said: See, Mr. Borden has come right around our way now, he protests against the wasting of precious lives in useless war. He surely never expected that these words would have effect in any other province. There always has and will be a probability that any one going to war will be killed. I do not know how one could escape it. I protest, as vehemently and emphatically as a man can, against the use made by the Prime Minister of these words in his manifesto to the Canadian electors. I say that he was pandering to the anti-naval prejudices of the province of Quebec, that he had no policy, that he was afraid to initiate one, but he thought that these words might be safely inserted in order to add fuel to the flames which were being aroused in the province of Quebec by the Nationalist party against the Prime Minister of that day. The two ministers of the Government who sit opposite, the Postmaster General (Mr. Pelletier), and the Minister of Inland Revenue (Mr. Nantel), in that campaign were not in favour of any kind of a navy. They were urging then, that whether there be contribution or a permanent policy, there must needs be first an appeal to the electorate. They indulged in the most unpatriotic, unjust, reprehensible, and almost seditious language known to campaigning in Canada, I say, Sir—and I make this remark unaccompanied by any personal feeling whatever — that in my judgment it should not have been possible for these two hon. gentlemen to be invited to seats in the Ministry.

Mr. PELLETIER: Does my hon. friend say that the Prime Minister was as bad as we were?

Mr. MACLEAN (Halifax): Pretty nearly. There are two living reasons in this House, for the Government proposals and they are the Postmaster General and the Minister of Inland Revenue. Perhaps I am attaching too much importance to this, but such are

my views. I will always believe that the Conservative party wilfully played false with their publicly pledged word upon this naval issue, and surely nobody can censure me if I chastise them for their violation of that pledge. If there is any conscience in the Canadian electorate, they will never forget the perfidity of the Conservative party on this question. Every Liberal should swear eternal hostility to their course of action. The Bill is the progeny of a marriage of convenience between the Conservative party and the Nationalist party. It is not the product of either true Canadianism, or true Imperialism. It is a short cut from embarrassment created by public men whose sense of public duty was measured by their political necessities. It was not the fulfilment of a desire, or of a promise to perform national or Imperial duties or obligations. This Bill, carefully analysed, is merely an act of executive clemency extended by the guilty to the guilty. They are guilty; they happen to be in power; the executive power of clemency happens to be in their hands, and they are using it for their own relief. And yet, these hon. gentlemen opposite are painted by some in Canada, by some of their Unionist brethren in the Old Country, as patriots and Imperialists pure and undefiled, living high above the region of partisan politics and partisan conduct, and moved only by the highest considerations becoming statesmen. And the Postmaster General went to England last year as one of the Canadian representatives upon the question of Imperial naval defence. It was a peculiar errand, upon which the Postmaster General ventured forth. I do not wonder that some grow indignant about it.

That is the reason, Mr. Speaker, why we find ourselves considering this Bill. That is the explanation of the Government's position. Had it not been for their love of party over national and Imperial needs, there would be no division in this House this evening, or this session, upon this question. We would be where we were in 1909. The Conservative party left the theatre built in 1909 by both parties, and they went to the home of the Nationalists and danced to their tune; and now they ask us to dance to the tune of the jingo Imperialists. They found themselves in a pit they themselves dug. They ask us to help them out of it, but they ask us to take the people's money to the extent of $35,000,000 to do it with. I question, Mr. Speaker, whether this is a case in which the country is justified either in taking these gentlemen out of the pit which they themselves dug and paying $35,000,000 at the same time.

Now, I think they should suffer. There possibly may be a way out of all the difficulty. It has been frequently urged by some of my hon. friends on this side of the House that the Government resign and appeal to the country on this issue. I grant the Minister of Labour, (Mr. Crothers) that from his view point, this is a very undesirable thing. It means a great deal of labour for everybody in this House. Let me suggest this course, namely, that the Postmaster General and the Minister of Inland Revenue resign their seats, appeal to the electors of their respective constituencies, and test public opinion there upon this issue. Then, if these hon. gentlemen were defeated, I am sure the Prime Minister would accept that as a verdict of the people of this country and he would retire from office. Will the Postmaster General and the Minister of Inland Revenue take that into consideration and let us know at the first of next week what they will do?

Mr. PELLETIER: I will take it into most serious consideration.

Mr. NANTEL: Will you do the same yourself?

Mr. MACLEAN (Halifax): I am under no obligation to do the same myself. If I were in the position of the Postmaster General and the Minister of Inland Revenue, I would not occupy a seat in the Government, and possibly I would decline to occupy a seat in the House. Now, I think I am quite charitable to these two hon. gentlemen who represent the Nationalist party in this Parliament. I wish I possessed the gift and the power of saying what I think should really be said. Burns, the great Scottish singer, once sighed for the power of the satirist Pope:

> Oh, Pope, had I thy satire's darts
> To gie the rascals their deserts,
> I'd rip their rotten, hollow hearts,
> And tell aloud
> Their jugglin' hocus-pocus arts
> To cheat the crowd.

The conduct of hon. gentlemen opposite upon this issue is deserving of the greatest censure. They have cheated the crowd with their 'hocus-pocus arts.'

I submitted that a Canadian navy, administered in Canada and in co-operation with the British navy, was preferable to the scheme proposed by the Government and I gave one or two reasons. I said it harmonized more closely with the views and aspirations of the Canadian people to-day. I said that there was not a developed public opinion upon this issue and that history, experience and nature I suggest this course by a new country, like Canada. After all, this is but another chapter to the story of the great public services now administered by the Government

of Canada. It is but the application of the same idea and principle which we invoke in our militia, arsenals and the manufacture of small arms. You may draw a distinction but, after all, it is imaginary and not well founded in fact.

But there is another objection and it is one to which I attach considerable importance. Political questions are human problems, and human problems are historical and biological. The greatest study of mankind is man, and if any political problem is studied thoroughly and scientifically it is necessary that it should be studied from the human view-point. The scheme proposed by the Government will not impart that national, patriotic spirit which is necessary particularly in a new country. This is not the policy characteristic of Anglo-Saxon race which is the dominant and most numerous people in Canada today. If the course suggested by the Government is pursued, and pursued for years to come, what is there to develop that spirit? Patriotism is not developed by reasoning or established by self-interest. We reason upon our feeling in such matters. It is the link which binds the people to the state, it brings affection and sympathy into the state and without it the state cannot endure. Without patriotism you will have nothing left but egotism and self-interest in the state. It is a virtue, some one has said, such as the love of parents. It is the powers by which we can accomplish great things, but I ask how can we develop this spirit? What will give us the national epic? In Canada we have people of many extractions. It is necessary that we should cultivate and develop a bond which will attach these various races to the state and anything which will develop a warm attachment for one's country is a very desirable thing. Where you find a love for Canada by people who are native to Canada, or by those who have come here, you will find that same love and patriotic feeling extended towards the Mother Country.

This Government Bill crushes all hope of realizing that idea. When Nelson, at the battle of Trafalgar, with his flag signalled the message, 'England expects every man to do his duty' it was effective, the most effective message ever given through the instrumentality of a flag. It is as fresh in our minds to-day as it was when it was flown to the breeze a century ago. Supposing Nelson had said: Parliament expects every man to do his duty, would anybody have been moved by that? Supposing it had said: the Imperial Committee of Defence expects every man to do his duty, who would have been moved? Suppose it had said: 'King Geogre III expects every man to do his duty,' it would have sounded cold and it would have stirred no soul. Hon. gentlemen are not reckoning with this aspect of the question. Canadians went to South Africa during the war some twelve years ago. I imagine they were inspired to accomplish brave deeds and were moved to heroic achievements by the recollection of the shores and homes which they had left. I assume that that was the great power moving them to action. I dare say that they, in common with soldiers of the British army, on all occasions had in mind the flag common to all parts of the Empire, but the great inspiration to brave deeds on the part of the Canadians whom we sent to South Africa, was the thought and love of their own native country. Had we sent to the war with Canadian money, men enlisted in England, Canada would have been the poorer in patriotism and the flame of Canadianism and Imperialism would never have burned as it did then and as it has since.

The hon. Postmaster General along with the right hon. the Prime Minister, last year saw the review of the British fleet at Spithead. It was a notable review, a sight which, I suppose, everybody would like to have had the privilege of witnessing. But a review of the fleet in which the visitor could see a Canadian ship, an Australian ship, or a New Zealand ship, would far transcend it and would present the greatest sight that the world has yet seen. Such an event will be seen some day, and it will be the greatest in the world's history. It would accomplish as much in a minute as the policy of money contribution will accomplish in a century, to unify the Empire and to hasten the world's peace. It would give to Canada and Canadians their true position in the Imperial dominions and among the nations of the world. The Prime Minister told us that these dreadnoughts would range themselves in the battle line of the Empire, and we have heard a good deal about that battle line from gentlemen on the other side of the House. Every Canadian would doubtless assist by a contribution in ships and money if he thought Great Britain were in need, but the regard of Canadians for the Motherland is not to be measured by dollars and not by ships. The mere fact that dollars were represented in the firing line would not stir the soul of a patriot. The words of the Prime Minister on the 5th of December in this House were:

> They will be the three most powerful battleships in the world, and they will bear historic names associated with this country. Thus, every Canadian will realize, in seeing or reading of these ships, that they are a gift in which he has participated.

I fear the Prime Minister fails to appreciate the human view-point upon this point. I can understand that three Canadian

ships, manned and officered, in whole or in part, by Canadians, would, in the battle line, engage the interest of every Canadian. Though I admit it would be a matter of some pride to him, he could not be stirred with the same enthusiasm by the knowledge that three ships without a Canadian on board, were Canada's contribution to the fighting line in defence of the Empire. I remember in the fall of 1910, when the ship Niobe appeared in the harbour of Halifax, it was my pleasure to be present amongst others to tender a warm welcome to her officers and men. An address of welcome was read by the hon. Mr. Brodeur, then Minister of Marine on behalf of the people of Canada; and, on behalf of the people of Nova Scotia, an address of welcome was presented by the Lieutenant Governor of that province. Never shall I forget that interesting occasion; the chords of human emotion were sensitive and easily responsive that day, on the deck of the Niobe. And why? It was the first Canadian naval ship that had appeared in Canadian waters, and it appeared to us who were present that we had reached a new epoch in Canadian and Imperial history. Let us contrast that picture with this. Suppose the Minister of Finance were to put into a bag $35,000,000 in gold and were to go to Halifax and, beneath one of the fortresses overlooking the harbour, were to present to the English Chancellor of the Exchequer this vast amount of gold, does anybody think it would appeal to the assembled people as the simple message of welcome to the first Canadian battle cruiser did? The Minister of Trade and Commerce (Mr. Foster) knows the effect of the point which I am trying to make, because in his address upon the resolution, pointing out the objection to contribution, he said:

> The interest that we take in a contribution spent by another is not the interest that I desire for Canada. I want to see something grafted on the soil of Canada's nationhood which takes root and grows and develops until it incites the spirit of defence in this country, leads to a participation in the defence, leads to that quick interest in it, its glories, its duties, and its accomplished work, which is after all the one great thing that compensates a people for great expenditures either on land or on sea in the way of defence and of the maintenance of the rights of the country.

And, Sir, in my opinion, that was the most important part of the speech delivered by Mr. Foster on that occasion.

Hon. gentlemen opposite have urged that we cannot man a navy in this country; but that is not a fair way of presenting the question, and it is not correct. I say, that we can man a navy in Canada and a very large one at that. Many Canadians would enlist in a Canadian navy and many in Great Britain who would not be likely to enlist in the British navy would undoubtedly come to us. I am sure nobody will say that our kinsmen from across the sea, who would enlist in the Canadian navy would not make good Canadian sailors. I believe that in Canada alone we could soon man a good sized fleet. And, Sir, the men who say we cannot man a navy in Canada are the very men who did everything possible to make the Canadian navy unpopular. By their attacks upon the service, and their 'tinpot navy' shibtoleths, Conservative patriots prevented many men joining the service. The term 'tinpot' navy emanated from and was used by 'tinpot Canadians' and 'tinpot patriots,' and 'tin' is the only currency capable of properly measuring the value of these self-lauded Canadian Imperialists who campaigned against the Canadian navy. Were it not for the accident to the Niobe which prevented her cruising around the coasts of the maritime provinces, to popularize the naval idea, there is not the slightest doubt in the world that she would have secured her full complement of men. Perhaps there is some hon. gentleman here who will tell me the number of men required to man, let us say, the biggest ship of the British Navy.

Mr. PUGSLEY: About a thousand.

Mr. MACLEAN: I thought it was about seven hundred and fifty men. I venture the statement that you could place in commission on the Atlantic coast the two largest fighting ships of the British navy, and in two years you could enlist in the maritime provinces and Newfoundland sufficient men to give these two ships their full complement. I am not referring to officers or men that require a number of years of experience and training. I make my statement after investigation, and I make it upon authority, which I cannot and will not give, but it is the best authority I think that exists. If members of the Government will take the trouble to inquire, they will find that there were hundreds of inquiries addressed to the commander of the Niobe for enlistment, which he could not consider by reason of the circumstances to which I refer. And were it true, that it is difficult to obtain a large enlistment for a Canadian navy, that should not be a wonder, as it has been true of all countries in the world in the beginning of their navies. Had we to maintain a navy, we should be obliged to man it in the best manner possible, and, in the event of being unable to obtain the men in Canada, we should be obliged to do as other nations have done—go to some other country for our men.

Hon. gentlemen opposite raise other objections. They will persist in saying that the policy of the Opposition is a 'separatist' policy. Now I submit, that is not fair. I think that the idea of a Canadian navy in co-operation with the British navy is a policy which spells unity and strength. I think that the idea of concentration, if persisted in, will result some day disastrously. And, after all, this idea of a 'separatist' navy is only a Tory idea. That idea has prevailed in Tory circles for many centuries; and I regret seeing it engrafted upon the Conservative party of this country. Why talk of the policy or proposal of the Opposition as a 'separatist' proposal? Hon. gentlemen opposite voted for it in 1909. They are talking for it in 1913. The hon. member for Brantford (Mr. Cockshutt), I think, is the only hon. member on the other side, so far as I can remember, who has yet dissented from the idea of the establishment of a Canadian navy. If the Canadian navy, ten years hence, will not be inoculated with the separatist idea, why to-day is it charged with being a 'separatist' navy? And if it is to prove objectionable on account of being a 'separatist' navy some time ten years hence, surely it is clearly objectionable to-day. And yet hon. gentlemen opposite who have spoken—the few who have spoken—all practically announce: We hope that this will be the last contribution in money; we are not proud of it; we have been told there is an emergency, and we are giving it for that reason, but we hope some day to establish a Canadian navy. We have had co-operation and control before in military affairs. Canadian and British soldiers fought together in the Red River rebellion and in the Northwest rebellion. They were together in the South African war. There has been a division of defence on the part of Canada and Great Britain. We have assumed the control and administration of the defenses of Halifax and Esquimalt. They can be garrisoned as well by Canada as by the British army. Hon. gentlemen opposite do not object to that. The British authorities consented to it. If the present policy of the Opposition is a separatist one and objectionable, surely this division of military defence in connection with Halifax and Esquimalt is objectionable. The hon. gentlemen do not object. We have further instances of co-operation to-day. We have the Colonial Defense Committee; we have the Imperial General Staff, and there are local sections of the Imperial General Staff; and we have also the Imperial Conference.

Now Canada, according to the Minister of Labour, has, on more than one occasion, refused to contribute money and ships to the British Admiralty, and that is very probable. Hon. gentlemen opposite did not object. In 1909 they voted against a contribution to the British Admiralty; or, to put it perhaps more fairly, they voted that there was no emergency. This objection to the Canadian naval policy that it is a 'separatist' policy is not a fair one; and I will do hon. gentlemen opposite the credit of believing that they do not think so themselves.

Let me pass on to say just one word in respect to naval construction in this country. I am not going to answer the argument that ships cannot be built in Canada. I have heard nothing very potent so far negatively, and I think the positive side has been pretty well fortified by some hon. gentlemen who have spoken on this side of the House. For the purpose of the discussion of the real principles involved in this issue, it is not necessary really to discuss whether or not we can, efficiently or otherwise, construct ships in Canada.

Hon. gentlemen opposite also make the allegation that the Canadian naval programme which we inaugurated in 1910 was very slow in its growth, development, and fulfilment; and, because of that, they urge that it would be unwise for us at the present moment to continue a Canadian naval policy. Does this objection really call for an answer? Must not a navy have a beginning, like all things made by man? A navy cannot grow in Canada or elsewhere overnight, like Jonah's gourd; the greatest navies of the world have had their beginnings, and if hon. gentlemen are sincere when they say that they believe in the establishment of a Canadian navy some day, I ask them if it is not sound policy to commence at once? They complain about the slow development of the naval policy promulgated by the late Administration; but is that any argument against a Canadian navy? At its worst it is only a charge against administration, and the administration being in the hands of hon. gentlemen opposite, they can cure that defect and remove that criticism. Did hon. gentlemen render to the Government of the day any assistance in the administration of the Canadian naval scheme? They were under bonds to do so; their word and honour were pledged in that direction, yet we received no encouragement from them, and it is little wonder that the administrative portion of the Canadian naval proposition did suffer somewhat by reason of the unfair attacks made upon it by hon. gentlemen opposite.

Let me repeat again that hon. gentlemen opposite have declared time and time again their belief in the soundness of the principle of a Canadian navy. We on this side of the House stand where we did in 1909; but it is nothing more than a piece of vandalism if the ministry of the day does not

proceed with the carrying out of the present Canadian naval programme. What do they propose to do with the Canadian Naval Service Act? It is on the statute book, and should be administered. They promised some of the supporters to repeal it; will they do so? Dare they do so? I challenge them to do so. The Niobe is to-day in Halifax harbour, and, I presume, is not enlisting any additional men. I do not think that since she came from the drydock she has been on any cruise. Yet this is a Canadian warship; it is one of the ships purchased by the late Government under the authority of the Naval Service Act, and it is at this moment anchored in the harbour. And that is the price this Empire is paying for the alliance of the Conservative and Nationalist parties? I protest against this price as being unfair to Canada. I ask hon. gentlemen opposite, if they are not going to use that ship for the purpose for which it was purchased, what are they going to do with it? Should they not discharge the men now enlisted, put the Niobe up at auction, and sell her to the highest bidder? That would be an honourable course for the Government to pursue; will they do it? I challenge the ministry to take that course of action. I ask them to announce during the second reading of this Bill what they propose to do with regard to the Canadian Naval Service Act, and with respect to the Niobe. We on this side would like no better combat with hon. gentlemen than the settling of this issue with respect to the disposition of the Niobe. I charge hon. gentlemen opposite with cowardice in connection with the administration of the Canadian Naval Service Act. They have allowed it to go into disuse. If that is their policy, I say, repeal the Act. If they have no use for the Niobe, let us know it on the second reading of this Bill. It is too big a price for the intelligent citizens of this country to pay, that that ship, which was bought and paid for by Canadian money under the authority of an Act of Parliament, should be lying idle as the result of political services rendered to the Conservative party by the Nationalists.

The Minister of Labour, and, many other speakers on the other side of the House, attempted to justify this measure by alleging the existence of an emergency. The Minister of Trade and Commerce said that the word 'emergency' is unfortunate, that the proper word is 'need'; but, in my opinion, no special significance attaches to that distinction. Hon. gentlemen opposite know, I am sure, that the only justification for this Bill is the alleged fact that an emergency exists in naval affairs with the British Admiralty. If it does not exist, this measure has no justification. I need not argue that further, because we on both sides agree upon that point. I want to assert, and to prove if I can, that there is no emergency and no imminent danger to the Empire sufficient to justify the abandonment of the settled policy of the country in respect to naval defence, or to justify a contribution to the British Admiralty of three ships or $35,000,000, in preference to the re-affirmation of the Canadian naval policy which was adopted in 1909.

Mr. BURNHAM: Will my hon. friend state whether the Liberal naval policy means an independent Canadian navy?

Mr. MACLEAN: I am afraid my hon. friend is trying to draw me away from the Bill which is under consideration; but I may tell him that I do not understand the Canadian naval scheme to mean an independent naval policy. The resolution which was passed in 1909 referred to the naval policy as being one of co-operation with the British Admiralty, and this has since remained the policy of the Liberal party. There is an emergency, but it is a political one, and I think it is unfair to endeavour to convert a political emergency into a real naval emergency, for the purpose of justifying legislation intended only to remove hon. gentlemen opposite out of the pit which they themselves dug. The Prime Minister went to England and took some of his colleagues with him. He went with a political emergency, and pretends to have brought back with him a real emergency. I deny it, and say that he has not with him a word of evidence to justify the reason advanced for introducing this measure, namely, a naval emergency. The Postmaster General was taken over with the Prime Minister to discover this emergency. He returns and asks us to believe that he found there a real naval emergency. I have always wondered where and how the Postmaster General ever got into that mental attitude and condition which would render him susceptible at all to the microbe of Imperialism. I fear he must have been tied to the statue of Lord Nelson in Trafalgar square, and he must have had special nurture there at the hands of somebody or he would never have come back here and declared that he found a real emergency in Great Britain. The Prime Minister came back from England with an emergency which some of his friends say was merely a political emergency. Mr. Bourassa should be a good authority and I will read to you what he says:

I have been told, and my source of information is as good as the one behind the 'emergency,' that Mr. Borden found some difficulty in obtaining his 'emergency.' The document handed to him in London by Mr. Churchill was such a poor proof of the emergency that Mr. Borden asked for another. The one he was given the second time was so little terri-

fying that on his return to Canada Mr. Borden wired to London asking for a third one.

If this memorandum placed before the House on December 5 discloses an emergency, one would need a very vivid imagination to fathom what was in the first emergency which the First Lord of the Admiralty sent to the hotel of the Canadian delegation. Imagine what a beautiful suggestion it would be for a caricaturist. The Prime Minister, and his colleagues are in their hotel in London, and this first emergency document is sent down to them. The Prime Minister is doubtless in high dudgeon, gossip saying so anyway; but just imagine the Postmaster General laughing over this emergency. Being dissatisfied with it they say: This emergency will not do. They call for a second one, and they think that is the real article. But no, when they return to Canada they find it is not good enough, and they ask for a third proof of emergency. The memorandum finally presented affords no evidence of an emergency. Surely somebody is treating the whole subject humourously and not seriously. Hon. gentlemen say to us: Why do you not accept this measure? The Prime Minister says there is an emergency. How can we accept the statement of the Government when we know that hon. gentlemen opposite went to England hunting for an emergency and a justification for the present measure which they hoped would extricate them from the embarrassing position into which they had put themselves.

Mr. BURNHAM: Who got them out of the hole, was it a conspiracy on the part of the Admiralty?

Mr. MACLEAN: Well, you are not out yet, but you are trying very hard and the operation is likely to be very expensive to this country. I said there was no evidence within the four corners of this memorandum that it was the opinion of the Admiralty that an emergency existed or that aid was required or needed. I hope to justify that statement. Hon. gentlemen opposite think that this memorandum gives them some evidence which justifies their claim that there is an emergency. I say emphatically and without fear of contradiction that you cannot find a word or a line in it which will justify the fear which the Prime Minister expressed when he asked us to look at the heavy clouds lying low and to listen to the booming thunder and to look at the vivid lightnings flashing on the horizon. However, the document is here and it is only fair that we should look into it. It would be unfair of me to ask the House to accept my word that there is no evidence of emergency in it without investigating the document itself. It is a queer piece of work, when you read the document along with the speech of the Prime Minister. It is a composite piece of work, a mosaic. It reminds one of the double-hinged door, you can push it either one way or the other. You can see both 'Canadian naval policy' and 'contribution' on each side of the door, you can see anything you want. Anything the Quebec Nationalist wants in his province for political purposes in respect to this issue can be found in the speech of the Prime Minister and the memorandum when he reads them together. But there is nothing substantial after all about the document and I think hon. gentlemen opposite will agree with me in that statement if they will look at the matter fairly. The memorandum bears the ear-marks of a document procured by what is law is termed duress, by a political leader who was in dire distress and extremity. He collided with the flotsam and jetsam which he himself put in the water and he sailed over to England with his flag flying in distress, asking for aid. He did not issue forthwith the ordinary Macedonian cry of: 'Come over and help me,' but he 'went over' to the Admiralty direct and said: I have come over here to have you help me out of a political difficulty and the Admiralty had to make three attempts before they got that which he thought might help him. The most you can say of this memorandum is that it was given at the request of the Prime Minister with a view to presentation to the Dominion Parliament as some justification for a contribution to the British Admiralty of three ships or $35,000,000. The document itself says that the Prime Minister asked for the memorandum. It says that the Prime Minister of Canada asked what Canada might best do if it was going to make a contribution to the Admiralty. That in essence is the sense of the document. The first paragraph of this document disclaimed any desire to influence Canadian opinion. And still Sir Rodmond Roblin during a recent election in the province of Manitoba said that the British Admiralty were on bended knees seeking some succor from Canada. This document expressly contains a disclaimer of any desire to influence Canadian opinion in connection with naval defence. The first four paragraphs deal with the power of the navy, that is the British navy, measured by reference to other navies. They set forth the present and future strength of the German navy in various paragraphs, and then paragraph 4 concludes in these words:

The facts set forth above were laid before the House of Commons on the 22nd July, 1912, by the First Lord of the Admiralty.

Now, Mr. Speaker, we are down to this point that the facts contained in this document, which are urged upon this House as a justification for the emergency plea, were presented to the British public on the 22nd July, 1912, and were known to the whole

British public. Now, if in the estimation of the British public, no emergency existed on the 22nd July, and there was no necessity for any contribution by Canada in money or in ships, these facts could not be afterwards distorted so as to make an emergency. That is what hon. gentlemen opposite are seeking to do, but I say Mr. Speaker, that every fact in that memorandum was known to the British public early in July, 1912, and yet not a public man in England, charged with the responsibility of the administration of public affairs, or anyone else, believed that the prestige of the British navy was in danger, or that there was any emergency. If that be true, I ask you, Mr. Speaker, is it not an incontrovertible fact that the whole groundwork and basis on which the Government proposals have been built, falls to the ground, and that there is only one course for them to pursue, and that is to withdraw their Bill? If there was a feeling in England that Britain's prestige was threatened and that an emergency existed, surely you would hear something about it in England. There have been many elections in England since 1909, and I do not think that the efficiency and sufficiency of the British navy were ever once an issue. I do not remember of any elections since 1909 when it was an issue. It was then made an issue by the Unionist party, but only for political purposes. I dare say an election took place in Great Britain when the Postmaster General was there, but I venture to say that he never heard anything about a German scare being an issue in that campaign. He heard something about home rule, something about Welsh disestablishment; he may have heard something about land reform, or the insurance scheme. The Prime Minister himself heard something about the Franchise Act, as viewed by the suffragettes. They approached him asking for sympathy and aid. He told them, I think, that the Dominion Parliament had not the power of establishing its own franchise. I think he was in error then, but I do not blame him for not retaining a recollection of what was the true state of facts in this connection, and I hope Mrs. Pankhurst and her associates will never learn that, perhaps he did not put the exact facts before them. But anyway, hon. gentlemen opposite have no right to make this so-called German scare an issue in this country, when the English people refuse and have refused for four years to do so in their own country. During last summer two or three prominent Unionists of England were in Canada, and they ventured to speak of the so-called German scare. Now I say it would befit these gentlemen to return to their own country and settle that issue there. They should make it an issue there first, and afterwards come to Canada. I submit that hon. gentlemen opposite are precluded from claiming and asserting an emergency as one of the justifications for their Bill, by the fact that in England, where a wider and more accurate knowledge of international affairs is found than in this country, no one talks about the so-called German scare.

Now, I want to go one step further. I want to say that the leading public men in Great Britain, just before the Prime Minister reached there and afterwards have declared that the British navy was sufficiently strong to maintain her supremacy on the seas, as well as ever in her history. I had intended to read statements of many of the public men of Great Britain, including the First Lord of the Admiralty, the Premier of Great Britain, Mr. Asquith, the leader of the Opposition, Mr. Bonar Law; the leaders of both political parties in the House of Lords, all to the effect that this so-called German menace was non-existent, that the British navy was deemed by the Admiralty to be sufficiently forearmed to maintain British supremacy upon the seas. I do not think I shall weary the House at this late hour by reading their publicly expressed opinions, as possibly they have been read already, and if not, possibly they may be given to the House by some of the hon. gentlemen who will follow me. Do hon. gentlemen opposite wonder that we refuse to accept the word of the Government that an emergency exists? Did an emergency exist, we would gladly join with hon. gentlemen opposite in meeting it. But we have it from the highest authority that none exists.

I want to read one or two opinions respecting the British naval situation that have been made since the Prime Minister left England and returned here. We will see if the clouds are still lying low and heavy, if the thunders are still booming and the lightnings flashing above the horizon. We will see if we can wait or if we can not. Since the Prime Minister left London and returned to Canada, responsible British ministers have on many occasions made reference to existing conditions and one and all have been emphatic in what they have said concerning the friendliness between Great Britain and Germany, the absence of any emergency, and the sufficiency of the land and naval forces to meet existing needs. The Canadian Associated Press cable, dated London, October 25, contains the following despatch:

> The Right Hon. Walter Runciman, president of the Board of Agriculture, a member of the Asquith Cabinet, speaking at a meeting tonight, said, he deplored Lord Roberts' Manchester speech. He did not believe that an Anglo-German war was inevitable, and a statement like that of Bobs was not only deplorable, but pernicious and dangerous.

Mr. FOSTER (Kings): Did the First Lord of the Admiralty, Mr. Winston Churchill, have that opinion in regard to Lord Roberts and his speech ?

Mr. MACLEAN : I think so.

Some hon. MEMBERS : No, no.

Mr. FOSTER : He said that he did not have that opinion.

Mr. MACLEAN : I think he said he did have that opinion.

Mr. FOSTER : He denied it.

Mr. MACLEAN : I think I shall be able to prove it in a moment. (Reading):

The rivalry between Germany and Great Britain was more commercial than military, and the only persons who wished to turn it into military were a small group of journalists, a few soldiers and makers of armaments, and a small section of the people who believe that the dignity of the nation was raised by irritating its neighbours. 'It is about time,' he added, 'that the industrial and commercial classes expressed their opinion in a thoroughly organized manner upon this important subject.'

That was the view of a prominent member of the British Ministry. On November 9 two important speeches were delievered at the Mansion House in London: one by the Hon. Herbert Asquith, Prime Minister, and the other by the Hon. Winston Churchill, First Lord of the Admiralty. In the course of his speech, Mr. Asquith said:

It is a satisfaction to be able to assure you that so far as this country is concerned its relations with other powers, have without a single exception, never been more friendly and cordial.

Where are the heavy clouds, the booms of thunder, and the vivid lightning flashes? Who was the better judge, the Prime Minister of Great Britain, or a government in political extremes in Canada? Mr. Churchill, in responding for the naval forces, said:

It is with a greater authority than the last time I was here, that I invite you to place your full confidence in the solid efficiency of our naval organization.

Referring to Germany, he said:

The relations have steadily improved between the two countries during the year. . . We have no reason to apprehend trouble of any kind, but my advisers at the Admiralty are satisfied that the number of fleets and flotillas in home waters is by no means unequal to any task that might be imposed upon them.

I want to give you also a few words from a speech delivered by Colonel Seeley, the Secretary for War, who spoke on December 5, 1912, the same calendar day as that upon which the naval resolution was presented to the House. Colonel Seeley, speaking on December 5, 1912, at the presentation of prizes to the London Scottish, said, with reference to the military and naval forces of the United Kingdom:

I feel bound to add this, that after the most searching inquiry, and taking the position at its worst for us at every stage of the investigation, the Committee of Imperial Defence have it as their considered opinion that with our military and naval forces as they stand the danger of invasion may be faced without fear, and this too while leaving a great expeditionary force free to safeguard our vital interests overseas.

All that great theatrical display on the 5th of December, 1912, in the Canadian House of Commons, after all, according to one quite competent to speak, was absolutely unjustified, and the picture painted here was not an accurate portrayal of the facts. What do hon. gentlemen opposite say to this? Surely their reasons for asserting an emergency are vanishing. There apparently never was a time when in England you could get anybody with authority to express the opinion which hon. gentlemen opposite have been expressing. It seems to be getting worse every day and all the time. These are the opinions of public men in Great Britain in the year 1912.

I wish, before I close, to present two further reasons why there is no emergency justifying the measure before the House. The first of these is the attitude of the Prime Minister upon this issue, and the second is the resignation of the hon. member for Jacques Cartier (Mr. Monk). It was on March 29, 1909, that the hon. Minister of Trade and Commerce (Mr. Foster), with the concurrence of the present Prime Minister, said in the Canadian House of Commons:

To-day the peril stands at the gateway; to-day Canada faces that position of peril, that Imperial emergency.

It was on January 10, 1910, that the present Prime Minister, repeating these words, added:

Has the peril passed? No, Sir, we are nearer to it by nearly a year. It is idle to assure us that there will be no war. The war has already begun.

On October 10, 1911, the then leader of the Opposition was chosen Prime Minister of this country. From that moment he had it in his power to have Canada take some definite and immediate action to meet an emergency if it really existed. Is it conceivable that, if the Prime Minister believed in an emergency such as he has described, he would have allowed Parliament to assemble in 1911 and the speech from the Throne at this first session to be delivered without so much as an allusion to an emergency? Would he have permitted the whole session of 1911 to pass without requesting some authoritative statement

from the Admiralty? Would he have allowed the whole year to pass without devising some means of trying to meet a situation so critical? Over a year in office and nothing done.

The Prime Minister and his ministers declined on every possible occasion to state what their views on the naval situation were. They endeavoured to create the impression in the country that it was their intention to repeal the Canadian Naval Service Act; but in 1910 they inserted in the resolution the word 'speedy' so as to bring about the speedy building of the ships for the Canadian navy, and that resolution through all these years has stood as the unrepealed mandate of Parliament. Tenders for the construction of these ships were in the hands of the new Government, but no action was taken. They discouraged recruiting to the Canadian navy and tried to make it appear that these were Laurier navy ships and not ships of the Canadian navy. At last pressure, so great as to be irresistible, was brought to bear on them from various parts of the country, and dreading a second session of Parliament without any naval policy, they fell back upon the emergency scare as a means of escaping from the difficulties they made for themselves. Is it reasonable to suppose that during the many months they were in power without taking action of any kind, the ministers really felt the awful presentiment disclosed to Parliament by the Prime Minister on the 5th of December last? If the ominous words uttered by the Prime Minister the day he presented this policy to the House are not true and yet are believed in by him, then they are evidence of hallucination on his part rather than the words of a responsible statesman. If, on the contrary, they are true, and if the Prime Minister believes in them, how can he justify lack of action on the part of himself and his Government from the date they assumed office, in October, 1911, to the 5th of December, 1912. It is kinder for me to assume that the actions of the Government rather than their words indicate their real belief.

In the resignation of the Hon. Mr. Monk from the Cabinet, there is additional evidence that no emergency exists; an additional proof that there never was a time when hon. gentlemen opposite believed there was an emergency. The hon. member for Jacques Cartier, as a member of the Administration, heard in the most intimate and confidential terms from the Prime Minister and his colleagues who went to England, all the facts they knew in reference to the naval situation; and, having heard them, he was unable to see any necessity for the course proposed by the Prime Minister, and he consequently resigned. I often wonder if the Postmaster General and the Minister of Inland Revenue ever feel conscience-stricken, momentarily even. I wonder if their consciences did not prick them when their old ally and colleague and leader announced that he felt in honour bound to leave the Ministry. I am glad to learn that it is a fact—the newspapers at least said so—that the Minister of Inland Revenue was very undecided for many days as to what he should do. He was almost persuaded to resign and accompany out of the Cabinet his friend, leader and colleague. It is evident at least that he had some conscience left, and may we not hope that some day it will speak so loudly, that he will consider himself in honour bound to resign also. It is important in connection with the resignation of the hon. member for Jacques Cartier, to have in mind the following statement made by the Prime Minister in defending his taking of this hon. gentleman into his Cabinet. The hon. member had taken the stand publicly that nothing should be done in the way of naval assistance to Great Britain until the people had had an opportunity of passing upon it. This is what he said on November 20, 1911:

> It is true the Minister of Public Works and I do not see eye to eye, but the point that divided us was at the time essentially not a question of policy but of a fact. Because the Minister of Public Works had said over and over again that when any emergency comes up in the Empire he and those who thought with him would be prepared to do their duty.

Now, I trust hon. gentlemen opposite, or at least some of them have been following this statement of the Prime Minister. And I want them to follow me just a few moments longer. From the statement which I have read, there are two very obvious deductions to be drawn. One is that when the hon. member for Jacques Cartier left the Cabinet he left it on a question of fact. Now, having heard all that the Prime Minister and his colleagues were in a position to disclose, he saw no evidence of an emergency. That is one deduction. The other is this: When he was taken into the Cabinet in October, 1911, and during the year he was in office, the emergency must have ceased to exist in the mind of the Prime Minister.

I want to go just a step further. Either the Prime Minister, in order to gain the support of the hon. member for Jacques Cartier and his Nationalist allies at the time of the formation of his Cabinet, must have been prepared to sacrifice for the sake of office the interests of Canada and the Empire—to use his own words, 'We were confronted with an emergency which might rend this Empire asunder'—or he must have believed in the alternative that this emergency no longer existed. Indeed, the Prime Minister saw that his action in tak-

ing the hon. member for Jacques Cartier and his Nationalist allies into the Cabinet was capable of only the one construction or the other, both of which I have given; and in stating his position in this House he virtually admitted that he had been wrong, when he had differed with the hon. member for Jacques Cartier on the fact of an emergency. He virtually said—at the time of taking the hon. member for Jacques Cartier into his Cabinet—that he was rather of the mind of the hon. member for Jacques Cartier and that no emergency did really exist. Here are his words:—

I have no fault to find with the hon. gentleman (Sir Wilfrid Laurier) for calling attention to the fact that my hon. friend the Minister of Public Works (Mr. Monk) when this matter was under debate, two years ago, did not see eye to eye on a question of emergent conditions which at that time, I thought, threatened the Empire. These conditions appealed to me in that way at the time, by reason of very grave declarations that had been made by the Prime Minister, the Foreign Secretary and the Lords of the Admiralty of Great Britain. I am ready to admit, in fact we were afterwards taunted in this House by hon. gentlemen opposite with the fact that these declarations were to a very considerable extent modified by subsequent statements made in the British House of Commons by the Prime Minister himself, I think, and also by the First Lord of the Admiralty.

Now, in view of this apologetic attitude and in the absence of a single statement by the Prime Minister or his colleagues to show wherein a new emergency has arisen since he came into office, can he expect that the people of Canada will regard as a sufficient justification for a departure from the unanimous resolution of March, 1909, and for a vote of $35,000,000 for the three largest battleships in the world; his impatient and alarming pronouncement of December fifth last?

I realize that I have been speaking for some little time, and I am very glad that so many hon. gentlemen opposite have done me the honour of sitting in the House and listening to my remarks; and, in view of the fact that they have shown so little interest in this great and important issue, I feel especially honoured by their presence. I will not, however, detain the House at much greater length on this occasion. It may be that I will have occasion to revert to this question later on in the session.

Mr. PELLETIER: Don't forget the thunders and lightnings.

Mr. MACLEAN: I beg the hon. gentleman's pardon.

Mr. PUGSLEY: The hon. gentleman was merely laughing at the idea of an emergency.

Mr. MACLEAN (Halifax)

Mr. PELLETIER: I was thinking of the hon. member (Mr. Pugsley) running for St. John.

Mr. PUGSLEY: I may say to the hon. gentleman that if he will resign, I will run against him in St. John.

Mr. MACLEAN: I fear the Postmatser General would not venture a contest either at home or abroad. He has received many challenges to enter a contest. I have put the challenge to him to-night—not that I should be one of the combatants in the fray, but I would ask the hon. gentleman if he would be kind enough to release the tension which prevails here and settle the issue by sending in his own resignation and going back to his own constituency. If his constituents then declare against him I am sure that the Prime Minister will at once gladly tender to His Royal Highness the Governor General his resignation, and the issue will then be settled.

Mr. PELLETIER: I am prepared to answer this challenge now. The hon. gentleman has repeated it twice during the course of his remarks, and I have suggested that he do the same thing. But he says no; he wants to be secure and safe in his seat, and let others resign. As far as our own province is concerned, I may tell the hon. gentleman that the whole question was settled on the day of Hochelaga.

Mr. MACLEAN: There is this distinction between my position and that of the Postmaster General. In the county of Halifax I did try very hard to make the naval question an issue, but the Prime Minister would not allow me to do so, as he very adroitly avoided that question. I am not finding fault with him, but the Postmaster General is now in the ministry by virtue of the fact that he made this matter an issue—and a disagreeable and discreditable issue—in the province of Quebec. I may tell the hon. getleman that I do not propose to resign my seat. It would be an absurdity for me to resign without reason. There is a reason, however, why the Postmaster General should do so; he is in honour bound to do it, and in fact, I am astonished that he has not done so long ere this.

Mr. PELLETIER: The hon. member appears to be very sorry that the naval question was not an isue at the last election in Halifax, but he has now the opportunity of his life; let him resign his seat, and that matter will be an issue.

Mr. MACLEAN: There is no particular reason why I should engage in any unnecessary contest, but there is a reason why the Postmaster General and the Minister of Inland Revenue should resign. If, however, I am invited to indulge in a pastime of that character, I would suggest that we all do the same thing.

I did a moment ago intend to address the House for a few moments in recapitulating the main features of the argument which I have been endeavouring to make to the House; but as the hour is late, I will discontinue my remarks at once.

Mr. H. H. STEVENS (Vancouver): Mr. Speaker, I do not desire to address the House on this question at any length, but a reference has been made by the hon. member who has just taken his seat (Mr. Maclean), and I wish to make a statement pertaining to that reference. I do not think the hon. member intended to mislead the public in his statement, but I feel that it was made in entire ignorance of the actual facts. He made the statement more than once that the First Lord of the Admiralty condemned Lord Roberts in the speech he had made which has gained such notoriety in the Old Country; he repeatedly insisted on that, especially after it was suggested by my hon. friend from Kings, that the First Lord of the Admiralty had supported Lord Roberts. I desire to place on 'Hansard' at this particular time the statement of the Right Hon. Winston Churchill, made on October 30 in this regard, and I think it is a statement that should in all fairness be placed before the people of Canada who are entitled to full and accurate knowledge of this matter. I might congratulate my hon. friend on the rather lengthy discourse he has given us to-day; but the dirge which he has managed to sing seems to me to be the funeral dirge of the debate as far as members opposite are concerned. He asked us to listen to the thunderings and to see the lightnings and a few other things which rather gave us the impression that the hon. member was labouring, which is unusual as we generally expect something rather eloquent from his lips. An hon. member suggests that there was a caucus held this morning and there is no doubt that this dirge was the result of that caucus.

Mr. MACLEAN (Halifax): That is your leader's dirge; do not make any mistake about that.

Mr. STEVENS: The Right Hon. Winston Churchill made the following statement in his speech of October 30:

> We are sometimes assured that the danger of war has become an illusion.

Proceeding he says:

> We can survey the past without a pang and survey the future without a grudge, but we must be prepared.

No. hon. member on this side of the House has intimated for a moment that the British Empire is on its knees as hon. gentlemen opposite have repeatedly implied we did. We do say that there are conditions existing to-day which demand our most serious and immediate attention.

We must be prepared, we must be ready for all eventualities. It is good to be patient, circumspect and peace loving; but that is not enough. We must be strong and self-reliant and in the end, for all our party politics, we must be united.

Speaking generally of the Empire. Then further:

> As First Lord of the Admiralty, I am entitled to remind you that we owe a debt also, in a special sense, to that unfailing succession of skillful sea-captains who, in every kind of vessel, against every kind of enemy, on all oceans, in all centuries, have maintained unbroken our naval power, and—why should we not say it?—our naval supremacy, upon which the greatness and the safety of our country depends. We live in a world of unceasing change. A spirit of decay pervades all human arrangement. No race, no empire, no institution reposes for any length of time on past virtues and past achievements. Unless we renew our strength continually, and revise and exhort without ceasing those impulses of comradeship and duty which are the true sources of national strength, we cannot hope to preserve indefinitely our happy and prosperous position. We must so manage our affairs and organize our corporate life that those who come after us shall have easier, not harder, burdens to bear, shall have fewer dangers to face, and greater resources with which to meet those dangers.
>
> We have to hold what we have won.

This should peculiarly appeal to the hon. member for Halifax who, I understand, is particularly anxious to hold on for a brief spell longer to a seat in this House.

> The tasks which devolve upon us are serious. The times in which we live are critical. We have to hold what we have won.

Let me emphasize that point. Hon. members have been telling us that there is no such thing as an emergency, that Great Britain, the British Empire is in a position where she can even afford to be careless in regard to these matters. But the First Lord of the Admiralty, who heads his speech with the words: 'As First Lord of the Admiralty I am entitled to remind you,' so that he is speaking officially, says:

> The tasks which devolve upon us are serious, the times in which we live are critical. We have to hold what we have won. This is unquestionably the voice of England, whose independent press stands resolutely behind the hero of Paardeberg and Ladysmith. Most Englishmen share the view of the News, when it says:
>
> If Earl Roberts, knowing what he knows, believing what he believes, had held his tongue, he would have been a coward. No one suggests that is a part he is capable of playing. Besides, does any sane man, not blinded by prejudice, believe that Germany is not endeavouring to rival us upon the sea?

I submit that from 1902 to 1911 nothing was done in connection with the Canadian navy beyond the acquisition of two small, incompetent vessels.

Let us look back upon the past and learn from the history of the world what the end of sloth and indifference, have always been. Let us clear our minds of cant and acknowledge the great truth which Lord Roberts, in his vigorous old age, continually tries to bring to our sluggish understanding, that the only way to peace lies in being prepared to meet attack of any moment, in preserving an armed might, which should bid the aggressor beware.

Lord Roberts is a great soldier. That is all for peace. That he should be the subject of attack, when he tells us honestly and straightforwardly, the only way to avoid a bloody and disastrous war, is humiliating to all men who love their country and are willing to give themselves in her service.

That is the statement which I think the hon. gentlemen opposite could well afford to weigh carefully. It has been continuously reiterated on the other side of the House that the statements of Lord Roberts were not in accord with the opinions of those who should know best.

I have one other word to say in reply to allegations made by hon. members opposite and particularly by the hon. gentleman who has just taken his seat. The memorandum from the Admiralty has been pointed to as not containing a statement that the British Empire was in dire straits. Nobody knows better than the hon. gentlemen who have made those statements that there are behind that official statement which is before the House facts and conditions obtaining in the British Empire to-day which warrant our taking a very serious view of the situation. It is not necessary, nor is it desirable for the British Admiralty or for this Government to lay before the country the details of the situation as they exist. Nor, Sir, would it be done by any sane government, and hon. gentlemen opposite well know that, and are continually taking advantage of that unwarranted situation.

Mr. E. PROULX (Prescott): Mr. Speaker, I beg to move the adjournment of the debate.

Some hon. MEMBERS: Go on.

Mr. SPEAKER: The hon. member for Prescott moves that the debate be now adjourned. Is it the pleasure of the House to adopt the motion?

Some hon. MEMBERS: Carried.

Mr. BORDEN: I think it would be better for the hon. gentleman to go on, for a while at least.

Mr. PROULX: After listening to the eloquent and interesting speech of my hon. friend from Halifax, I beg the indulgence of the House for a few minutes, for I do not intend to speak at very great length. I listened with very great interest this afternoon to the speech of my hon. friend the Minister of Labour, and I was not surprised that he did not try to defend the policy of the Government on the ground of an emergency, because it must be accepted by all hon. members of this House that an emergency no longer exists. He tried, with very great pains, to prove that the Government had a mandate to enact this legislation, and that there was no need to appeal to the people. He said that in Ontario in the last general election, his leader, the present Prime Minister, mentioned the subject in a speech which opened the campaign. I do not remember that the question was an issue in the last elections in Ontario. In any event, the question was never mentioned in my own constituency, and I do not remember of seeing it mentioned in the newspapers of Ontario. If we are to believe the hon. member for West Peterborough, there were other questions which carried more weight during the last election, and which had more effect on the results. There were many side issues. There were some local, some racial, and some religious issues thrown into the contest, and I believe that these had more effect on the result of the election in the province of Ontario than the naval question. In the province of Quebec it was different. There it was the great bone of contention between the parties. I do not know whether it was an issue in the other provinces. I have been told that in the province of Nova Scotia it was mentioned incidentally, and my hon. friend from Halifax has stated this evening that when it was mentioned, those who did so were rather in favour of a Canadian navy, and the people of Nova Scotia were given hopes of a revival of the great ship-building industry. My hon. friend from Rouville the other day said that the times had changed very much. Tempora mutantur, et nos mutamur in illis. This is very true.

The Conservative party has taken many different positions since the question was first brought up in this House in 1909. The present Prime Minister was at first in favour of a Canadian navy and he did not ask for an appeal to the people. But when the Bill was brought before the House in the session of 1909-10 there commenced a transformation. His colleague the hon. member for Jacques Cartier was against any contribution to Imperial armaments, and against the building of a Canadian navy before the question was submitted to the people for their approval. My right hon. friend the Prime Minister was in favour of an immediate contribution of the cost of two dreadnoughts, and of an appeal to the people on

the question of a permanent policy. He claimed at the time that there was an emergency, and that the Armageddon would take place before 1912. The Armageddon has not yet taken place, and I do not suppose it will take place for many years to come. In the fall of 1910, as we all know, there was an election in Drummond and Arthabaska. Both policies were condemned by the Nationalists in that election, the policy of my right hon. friend the leader of the Opposition who was then Premier, and the policy of my right hon. friend the present Prime Minister. The candidate of the Nationalists was against both policies. After that election we had the session of 1910, during which the hon. member for Jacques Cartier moved an amendment to the Address, regretting that there was no provision in the Speech from the Throne for an appeal to the people on the question of a contribution to Imperial armaments. My right hon. friend the Prime Minister moved an amendment which, stripped of its verbiage, amounted to about the same thing as the amendment of the hon. member for Jacques Cartier. After his own amendment was defeated, he voted for the amendment of the hon. member for Jacques Cartier which asked for an appeal to the people on the question of contributions to the Imperial armaments. Well, Mr. Speaker, is a contribution of $35,000,000 to build three dreadnoughts for the British navy not a contribution to Imperial armaments? Why is there not the same need to-day to submit the question to the people as there was in 1910? Well, my right hon. friend may say, we have had an election since then, and the people have pronounced in favour of our policy. As I have already said, the great question at the last election was not the naval question. The question of reciprocity was the deciding question of the election, and if the naval question was an issue at all in the last election it was not in this form, that is, a contribution as against a Canadian navy. In the province of Quebec, it was no contribution at all to Imperial armaments, and no Canadian navy. My right hon. friend the Minister of Inland Revenue stated in this House in 1910 that the result of the election in Drummond-Arthabaska was a condemnation of both policies, the policy of the Government and the policy of the Opposition. At the last election, the Nationalists in the province of Quebec promised to have the Naval Act repealed. Their leader, Mr. Bourassa asked the people to elect twenty-five independent members and he would promise them that the Naval Act would be repealed next session. The resolutions which were adopted at the meetings held by the Nationalists provided that there should be no contribution to the naval defence of the Empire until the future relations of Canada with the Empire were defined, and that Canada should have a real voice in the questions of peace and war, and in the foreign policies of the Empire. The session took place and there was no repeal. The Government got a sufficient appropriation voted to maintain the Niobe and Rainbow. The Prime Minister declared that after the session he would go to London, consult the British Admiralty and then define his policy. He went to England with three of his colleagues. I do not know whether he asked the hon. member for Jacques Cartier (Mr. Monk) to go with him, but I do not suppose he did. I suppose he preferred to take with him the hon. Postmaster General (Mr. Pelletier) because he probably knew that the Postmaster General would be more amenable to a change of opinion than the hon. member for Jacques Cartier. I suspect that the policy was framed before they left for England and that they took their emergency with them. When they reached England they were very well cared for, they were invited to many receptions and I noticed that the first speech the Prime Minister made in England was in favour of Imperialism. He spoke of one King, one navy, one flag. Afterwards he changed the tone of his speeches. I suppose that the Postmaster General must have whispered in his ear that it would be well for him to say something for the Nationalists, that he should not forget them. I suppose that the Postmaster General thought that his leader should remember the declaration which he had made in his county when he accepted his nomination. He is reported in La Patrie of the 5th September, 1911, to have said:

> In regard to the navy, I am against the project of Sir Wilfrid Laurier, and, I must say that I am against the contribution of Mr. Borden. This is my programme; I must say that I am an opponent of the navy whether it is presented by Mr. Borden or by any one else. I am a candidate independent of both parties and I am for the public interest first.

Mr. PUGSLEY: Who said that?

Mr. PROULX: The Postmaster General. I suppose this declaration must have come to his mind like Banquo's ghost. He must have told the Prime Minister that he must say something for the Nationalists because if he did not say anything they would become uneasy. In his next speech the Prime Minister said that Canada was not going to be an adjunct of the British Empire. I do not know who wanted to make Canada an adjunct of the British Empire. It was not my right hon. friend the leader of the Opposition (Sir Wilfrid Laurier) because, when he presented his Naval Act, the chief criticism against his policy was that it was a separatist navy and that he wanted to detach Canada from the Em-

pire. But the Prime Minister did say something to satisfy the Nationalists, he said that Canada was not going to be an adjunct of the British Empire, that before she would co-operate in the naval defence of the Empire the status of Canada should be defined and that she should have a real voice in the question of peace and war. He must have known that this question had been discussed at the Imperial conference of 1911 and that the Prime Minister of England had declared that the British Government could not share with the colonies the responsibility of the foreign policy of the Empire. It will be many years before we have a voice in the foreign policy of the Empire and many elections will be held before the question is settled.

On the return of the Prime Minister to Canada we all expected that his policy would be announced. We waited for a few months. The country was getting very anxious. The people did not know the reason for such hesitancy but now we know that the first memorandum was not satisfactory, that the second was not satisfactory and that he had to wait for a third one. When the third one arrived the hon. member for Jacques Cartier was not satisfied that the emergency warranted the vote of a large amount before the people should have an opportunity of deciding the question for themselves; therefore, he left the Cabinet. We are told that there is some secret information and that that secret information warrants the vote of this money. The hon. member for Jacques Cartier had seen this secret information but it was not sufficient to induce him to stay in the Cabinet. I think that the hon. member for Jacques Cartier is just as public spirited as the Postmaster General, the hon. Minister of Inland Revenue (Mr. Nantel), and the Secretary of State (Mr. Coderre). The Secretary of State has taken the place of the hon. member for Jacques Cartier. The hon. member for Jacques Cartier is not satisfied, but these hon. gentleman are satisfied. I do not want to impute improper motives but I think that my hon. friend from Carleton, N.B., (Mr. Carvell), gave probably the correct explanation of their continuing to ocupy their positions the other day when he said that there were seven thousand reasons.

We are told that the policy of the Admiralty was not a contribution but that on the contrary the Admiralty would have preferred the building of a Canadian navy like that which the Australian Government is building. That was the policy of the Admiralty in 1909 when the representatives of Canada had a conference with them. This continued to be the policy of the Admiralty. But the Government wanted

a modification of that policy, the Admiralty did not want to refuse them and therefore they made a change. They took good care to specify in the memorandum that the Prime Minister of Canada had asked for suggestions, and, as we know, the Minister of Trade and Commerce preceded the Prime Minister and his colleagues to England, and the Minister of Trade and Commerce must have made suggestions to the Admiralty before the Prime Minister reached there. Even after the Prime Minister returned to Canada, it appears to have been the expectation in England that we would have a Canadian navy, and this opinion is confirmed by the statements in the following article:

The Canadian Gazette, published in London, England, is friendly to Mr. Borden, and does its best to support his naval proposals, but is unable to close its eyes to the truth. For instance, it says:

The Canadian people, strongly national as are their tendencies, are most unlikely to desire a permanent system of contributions. The Canadian correspondent of the (London) Times is surely right when he says that 'at bottom Canadians believe that they must ultimately create a strong national navy, and supply men as well as money for sea defence.'

The Gazette quotes the London Times against this narrow view. The Times says:

The great departments in Whitehall cannot concentrate too exclusively upon the circumstances of the moment or on the European theatre of affairs without endangering the respect which public opinion in the dominions would accord to their long training and experience. If the opinion of the Admiralty is to carry weight throughout the Empire it must be supported more and more by breadth of thought.

On the 28th of November, a week before Mr. Borden announced his policy, the London Times said:

Every great dominion has undertaken, or is now to undertake, the creation of a fresh centre of naval power. Their growing strength, as ours has always been theirs. . . . It is not good strategy to urge that a North sea standard should be used as our universal criterion of naval power. Let us fix a European standard according to our European needs, which this country alone is ready and able to meet; and let us then in consultation with the dominion governments decide the needs of security elsewhere. The dominions will require our help even then; but let us keep the two spheres distinct, and reckon on dominion ships only in the wider extra-European spheres. Each of these systems will make for the highest possible efficiency in the conditions of each sphere; but they will not easily amalgamate. The contributed ships must be laid down, too, but must be earmarked for service elsewhere.

The people of England must have been in a state of hesitancy, as we in Canada were, before the policy was announced on the 5th of December. After the right hon. gentleman announced his policy, there seems to

have been an impression in the province of Ontario especially, that the Quebec Nationalists had won, and that the Government was not going to declare its permanent naval policy for some years to come, in order that the Nationalists would be able to say in the province of Quebec, that after all, the Government policy was much better than the policy of the Opposition, because there was a payment of $35,000,000 divided into three years, and as that would suffice as a naval policy for ten or twelve years, it was a cheaper policy in the end than the policy proposed by Sir Wilfrid Laurier. Let me read to the House what L'Evenement wrote the other day after the vote taken in this House, and, as is well known, L'Evenement is a very friendly paper to the Postmaster General.

It is only a gift of money. You will never hear any more of it. There is no danger Britain will hire men at twenty-five cents a day, and Canadian mothers and sisters will suffer no loss. As for the money, Ontario will pay for it, and the West will pay for it. It will not take your sons from your homes, as the infernal Laurier would do.

We can see from this that the Nationalists in the province of Quebec expect to be able to use the argument that this was a contribution payable for ten or twelve years, and that it would be much cheaper for the country than a Canadian navy as proposed by the Liberal party. However, the Conservative papers of Ontario did not like the idea of the Government delaying for too long the anouncement of their permanent naval policy, and they called on the Government to make a declaration, and the Minister of Trade and Commerce (Mr. Foster) came to the rescue of the Prime Minister before the Christmas holidays, and he told us to posses our souls in patience and that it would not be long before we knew what the permanent naval policy of the Government would be. However, the Minister of Trade and Commerce took great care to let the Imperialists of Ontario know that the views of the Nationalists on navy matters had not prevailed, and he used this language:

The leader of the Opposition says further that this product is a hybrid, bred of Tory jingoism and Nationalism. They have been together and this is the result. I am puzzled. Suppose it was, does it make much matter if the rich fruit on the tree comes from one soil or another, is tended by one gardener or another, or by two, provided that the apple itself, in its flavour and quantity is all right? Had not he better savor the apple instead of chemically, or otherwise, analysing the soils out of which it has sprung? But, I am puzzled besides. He says that this is the result of an unholy alliance between the Tories and the Nationalists. Well, I come back to his speech and what does he say? Immediately this realm was passed dissension broke out in the Liberal-Conservative party. There were two sections, one section wanted a contribution only and a navy. The other section wanted neither contribution nor navy. If there was a choice at all they were for the Canadian service, while they utterly abhorred the contribution. Then, he said that this is the result of an unholy alliance between the Nationalists and the Liberal-Conservatives. If it is the result, who won? After which parent does the child take its traits. Here, a measure which says contribution, the Nationalists damns contribution, will have none of it. Evidently he did not get his way. How then does the Opposition leader argue it out that this is the result and that Nationalism has been triumphing, when the very thing that the Nationalists abhor is embodied in the Bill and the very thing that he might look upon with favour, a Canadian service, is not included in the Bill. I take exception to the statement, but I am taking him on his own ground. He says that there is no permanent policy, but that it is all contribution. If that is so, whatever the antecedents may have been, the Nationalists did not get the victory in this matter. That is certain.

He wanted to assure his supporters in Ontario that they did not need to fear the Nationalists in Quebec; he wanted to dispel the impression that the Nationalists had won, and had prevented the Government from announcing their permanent policy before the next general election. I come now, Sir, to a contrast of the two policies. We have this contribution—I should not call it a contribution because the Bill provides for the building of three ships which will be loaned to the British Admiralty, and so it is not a simple payment of money to the British Admiralty. Like the hon. member for Halifax (Mr. Maclean), I would much prefer that it should be a simple payment, because otherwise these ships which are to bear Canadian names will be Canadian-owned and may involve Canada in foreign entanglements. They will be in the fighting line as the Prime Minister said, and they will range with the ships of Australia and New Zealand; although I think the Prime Minister was a little beyond the mark when he made that statement, because the Australian ships are to be stationed on the Pacific ocean in the Australian zone. At all events, the Prime Minister told us that these ships are to be in the fighting line, and they will not only be for defence, as the leader of the Opposition would want them to be, but they will be for aggression, if England should decide to be aggressive.

The policy of the Opposition is founded on the principle which they maintained in 1909 and which they have maintained ever since. That policy is for a Canadian navy—not a navy for offence or for aggression, but for defence—defence, first, of our own territory, and for co-operation with the Imperial navy in times of stress, and in case of need and, in order to help England to preserve her supremacy on the seas. It is true that dreadnoughts have been added to the policy promulgated in 1909. It was, I suppose, the

intention of the late Government to add dreadnoughts later on when the revenues of the country would permit. The revenues of the country have largely increased within the last few years, and the Opposition is now of opinion that the policy promulgated in 1909 could be extended to cover two fleet units, and that is the policy embodied in the amendment by my right hon. friend the leader of the Opposition. When the Act was passed in 1909, speaking on the second reading of the Bill, I said that instead of dreadnoughts being added to the cruisers which were to be built, I preferred that merchant ships should be built, and that Canada could be of great assistance to England in time of war by having merchant ships to carry our cereals to England, and having cruisers to protect our merchant ships. I was in favour of a fleet of peace, and I am still in favour of a fleet of peace. I admit that to protect our coasts and our ports more effectively it is necessary to have dreadnoughts, and so I accept the amendment of my right hon. leader and approve the policy. I read yesterday a very interesting article published in the Citizen, on 'A Fleet of Peace,' and I will take the liberty of reading it. I understand that this article was written by a very intelligent young Englishman, a Mr. Bowman, who, I am told was at one time in the service of this Government, but he was unfortunately a Liberal and his services were dispensed with. He is now in the service of the Citizen. This appeared in the Citizen of yesterday:

Sir Wilfrid Laurier advocates the building of war fleets in Canada. It would establish a new industry. Give employment to thousands of workers. Keep the money in the country.

There is a great flaw in the policy. The battleship industry is useless, wasteful. It consumes but does not produce wealth. The workers employed on battleships building could be more usefully employed on wealth-producing industries; farming, railway construction, house building, road making, merchant ship construction.

Canada cannot spare a single man from the development of the country. Navies do not develop any country.

Nor can a single dollar be spared from the national treasury. The country needs every cent it can secure: for the great national undertakings.

But loyal Canadians are anxious to contribute to Imperial defence. There is an emergency.

Liberal ministers visited London four years ago. Returned to warn Canada of a mysterious, unmentionable danger threatening the Empire, requiring immediate action.

Conservative ministers have also visited London. Consulted the Admiralty. Returned to bestir Canada. An emergency contribution of $35,000,000 has been voted. Still there is an agitation for naval construction yards and fleets on the Atlantic and Pacific coasts.

Now ship-building is a very desirable industry. Canadian waterways have not their equal for commercial expansion. Canada must some day be the leading maritime nation of the world. The whole system of railways and canals development is based on the exportation of grain east. Grain is the staff of life to Britain; the indispensable commodity and sinew of war and peace. Stop the supply of grain and the British Isles would be reduced to starvation, surrender and revolution in a week.

There is an alternative policy to the building of battleships in Canada. Let the country guarantee to pour a stream of grain into Britain: in time of peace and in time of war. It would relieve the Imperial Defence Committee of the greatest danger to be feared starvation in England.

Canada could build a fleet of grain carrying liners, owned and operated by the nation, manned by Canadians. A Canadian fleet of peace.

Just as the nation owns and operates the lighthouse supply fleet; the vessels of the Public Works, the Marine and Canals Departments.

The post office is a national undertaking The Intercolonial railway pays a million dollars surplus into the national exchequer. A national Canadian volunteer fleet for running grain into British ports could be far more effectively operated than a fleet of warships for the destruction of life and property.

It would be a wealth producer; not eating up the nation's revenue during times of peace. Rather doing useful service, transporting the western grain to Europe. Possibly bringing back desirable settlers at reduced rates. A powerful medium to offset the shipping ring at present operating on the Atlantic.

Possibly the big interests would oppose national development along such lines. It is the curse of the capitalist system. No objections are made by financiers to reckless expenditure over worse than useless warships. But any national enterprise for the benefit of humanity, the people—national telegraphs, national telephones, national express delivery, national water-power, national land— the cry of socialism is raised at once. Steps are taken to secure the opposition of the press, the politician, even the pulpit.

However the Canadian volunteer fleet need not necessarily encroach on the preserves of the railways and shipping combines.

The Hudson bay railway, a national undertaking will open up a new route. An untried route, possibly dangerous to ordinary navigation; requiring specially designed vessels—vessels strong enough to readily resist ice conditions.

The Canadian volunteer fleet could operate on the Hudson bay route. Wireless telegraph stations could be established to warn the vessels of dangerous ice.

If needs be the liners could be armed with six-inch guns to repel torpedo attack. They could be sufficiently fast to cross in three days to Blacksod bay in Ireland.

And while there would be offensive adventuring into militarism—even the Quebec Nationalists could not object to a volunteer fleet of peace—it may be mentioned that the Russian volunteer fleet proved to be the most effective squadron during the war with Japan; national vessels built for commerce in time of peace.

The Russian ships are termed volunteer cruisers. They are built sufficiently strong

to protect themselves against all but battleships. They are fitted with engine power sufficient to escape from any pursuing battleship. Battle fleets are not designed for harassing commerce. Such work is left to the comparatively light cruiser. The volunteer fleet could not only be strong enough to protect itself, it could convoy other liners, freight and passenger across the ocean.

At the present time the shipping interests are complaining loudly against the high insurance rates on the St. Lawrence route.

What will those rates be on Hudson bay route?

It is certain that any private shipping line operating on the Hudson bay will demand a fat subsidy from the Dominion Government, provided any line can be influenced to trade from the bay at all.

The private shipping company would in all probability build ships at the expense of the people of Canada. They would extort innumerable concessions and assistance in various forms.

Canada had far better start right by building national ships operated for the benefit of the people of Canada, and held always ready as a volunteer fleet.

One battleship costs twelve million dollars. Twelve million dollars would be ample to build twelve magnificent national liners, capable of carrying all the grain Canada could export by Hudson bay. And the surplus from such a national undertaking could be devoted to leviathan ice-breakers for opening up routes wherever possible.

A Canadian national volunteer fleet would be a real ship-building policy for Canada. Established on both coasts if need be. Such a fleet would be an example to the Empire; a pattern to the world; a leading step in the direction of world-wide fleets of peace.

I agree with the ideas of this article. I think we should commence as soon as possible the construction of shipyards and dockyards in Canada to build the cruisers and the merchant ships.

The hon. member for Sunbury and Queens (Mr. McLean) stated the other day that we could not build dreadnoughts in Canada at present, and, even if we could do so, that it would cost much more to build them in Canada than in England. But if we could not build dreadnoughts at once, we could commence with light cruisers and merchant ships. Dreadnoughts are not as necessary, I think, as the light cruisers. England has enough light cruisers, and the light cruisers could protect our merchant ships and police the Atlantic. If we cannot build the dreadnoughts in Canada, then we can have them constructed in England. The amendment proposed by my right hon. leader provides that the navy shall be built as far as possible in Canada, and, as I have said, if this is not possible the ships can be built in the Old Country.

Mr. BURNHAM: Does the hon. member think that Great Britain fully realizes that which he has just stated with respect to her efficiency?

Mr. PROULX: I do not know whether England realizes it or not, but I do know that the First Lord of the Admiralty, Mr. Churchill, and the First Minister, Mr. Asquith, have said that the British navy is amply sufficient to meet all combinations, and that there is no need of accelerating the construction of British ships.

Mr. BOYCE: Was the hon. member present in the House not more than an hour ago when a statement was read as the evidence of the First Lord of the Admiralty to the contrary of that which my hon. friend has just stated?

Mr. PROULX: I have not heard any statement to the contrary, but, as I have said, I read a statement that the British navy was amply sufficient to cope with the present situation, and that there was no need to accelerate the construction of British ships. In speaking of the strength of the British navy we must also take into account the alliances which England has with other nations. France has a cordiale entente with England, and Russia is also in alliance with her. The Nationalists of the province of Quebec say that this contribution is all that will be done, but if we read carefully the memorandum of the Admiralty, especially the last paragraph, we see that this is not all, but is only the first step; it is the entering of the wedge of Canadian contributions to the naval defence of the Empire, and when we are told it is only a temporary policy, adopted in a case of emergency, I think the statement is a misnomer, and that the proposition had better be designated as the first instalment of the permanent policy of the Government. The last paragraph of the Admiralty states:

The Prime Minister of the Dominion having inquired in what form any immediate aid that Canada might give would be most effective, we have no hesitation in answering after a prolonged consideration of all the circumstances that it is desirable that such aid should include——

Mark this, Mr. Speaker:

—the provision of a certain number of the largest and strongest ships of war which science can build or money supply.

This paragraph states that what the Admiralty wants is a contribution of the largest and strongest ships of war that science can build or money supply. What does the word 'include' mean? I take it to mean that this is only the first instalment—the first contribution—and that we will later on have to make another contribution, either in men or money. The leader of the Nationalists, in an article in Le Devoir of February 6 last, interpreted this paragraph as intimating that before long England would be asking Canada for

men to man her ships. The article reads, in part, as follows:

Let us take good notice of the word 'include.' If it is there, it is because Great Britain wants other things than battleships. Otherwise, the memorandum would have read such aid should consist in the provision of ships. Then what is the other part of the programme? Why did not the Admiralty say all what the aid from Canada should include?

The whole truth is that the British Government wants only equipped ships continues the writer, after mentioning lengthy opinions to that effect, that our dreadnoughts were accepted as a beginning or as a part of Canada's contribution. He says that the ministers are going to start slowly a campaign to induce the people to complete the gift by supplying the seamen.

The cost of the ships is only part of the programme. The other part, the essential one, is the recruitment of men, which is much more urgent, according to all the experts, than the construction of ships. How could Parliament decline to fulfil the most essential part of the programme after it will have established the principle that Canada wishes and must increase the naval forces of the Empire, and when the Imperial document on which the Canadian Cabinet bases its bill, warns the Canadian people that that first measure is but a part of the contribution.

During the last election the Nationalist candidates in the province of Quebec denounced the Laurier policy because it might have the effect of causing their children to serve on the ships, and some of these hon. gentlemen who voted for the resolution the other day were very strong in denouncing the Naval Act on this ground. What will they have to say at the next general election in order to meet the argument advanced in the interpretation of the last paragraph of the memorandum as meaning that this contribution is the first step in Canada's co-operation in naval defence, and that the next step will be a contribution of men? If there is any possibility of England's requiring from Canada a contribution of men to man her ships, would it not be preferable that we should have our own ships in this country, manned by Canadians, and that we should have such control of our navy as was proposed by the Naval Act passed in 1910? We have been told that it is impossible to have a Canadian navy because we cannot obtain a sufficient number of seamen to man the ships and that it was difficult to obtain then recruits for the Niobe and Rainbow. We all know why; it was because there was an expectation that the Naval Act would be repealed and so there was no encouragement to young men to enter the navy. Australia has made the experiment and we know that Australia has had no trouble in finding enough seamen to man her ships. The London Times, of January 25 of this year, has the following despatch from Sydney, New South Wales:

Mr. Pearce, Federal Minister for Defence, to-day declares that the naval position is eminently satisfactory. Recruits are being enrolled in good numbers and are taking kindly to the training. The only trouble is to provide sufficient accommodation for the splendid material which is coming forward. From the Admiralty, said Mr. Pearce, we have received enthusiastic assistance both in the loan of H.M. cruisers Encounter and Pioneer and in the loan of skilled officers and instructors. In fact the Admiralty has shown it is most willing in every possible way to help the infant navy's development.

I saw in the World newspaper the other day a despatch from Australia that they could not accept all the cadets who were offering for service in the Australian navy. I do not see why we would have any more trouble to recruit men in Canada, especially in the provinces by the sea. The Prime Minister said that this policy of contribution was presented as a token of the British tie and that we owed very much to England. I do not dispute that we owe much to England. We owe to England our protection in the past, and our protection today but I think that the Prime Minister exaggerates somewhat our indebtedness to England. Speaking on the 5th of December he said:

So far as the official estimates are available the expenditure of Great Britain in naval and military defence for the provinces which now constitute Canada, during the nineteenth century, was not less than $400,000,000. Even since the inception of our confederation, and since Canada has attained the status of a great Dominion, the amount so expended by Great Britain for the naval and military defence of Canada vastly exceeds the sum which we are now asking Parliament appropriate. From 1870 to 1890 the proportionate cost of North Atlantic squadrons which guarded our coasts was from $125,000,000 to $150,000,000. From 1853 to 1903 Great Britain's expenditure on military defence in Canada runs closely up to one hundred million dollars.

It is true that England has spent a large amount of money for our protection but the wars which she had with the United States were not of our own making. The wars of 1775 and 1812 were not of our making, we were not responsible for them, and in fact the war of 1812 was imposed on us by England, but it is too late at this stage to recriminate and I acknowledge that we owe a great deal to England, that we owe to her our protection. The argument that we do not owe anything to England comes not from the Opposition but from the Nationalists. Some members who sit on the Government side were very loud in their declarations during the Drummond and Arthabasca election and even in the last general election about our owing nothing to Eng-

land. I was somewhat surprised to see the hon. member for Champlain the other night vote for a contribution, remembering that he said during the Drummond and Arthabasca election that the Canadian had to bore holes in the British flag to breath the air of liberty.

Mr. SHARPE (North Ontario): He denied that.

Mr. PROULX: We depend on the British navy in the future for protection as in the past. We must depend on the British navy, or on the uncertain Munroe doctrine—I prefer to depend on the British navy, and there is no faction in this country who do not acknowledge that we have to depend on the British navy for our protection. This is the purpose and the policy of the Opposition, to strengthen this navy by building a Canadian navy, to provide for our own defence and to co-operate with the British navy in time of need. We are all anxious to strengthen the British navy and to maintain British supremacy, and none in Canada are more anxious for this than the French-speaking Canadians. We enjoy great liberties with respect to our language and to the practice of our religion. As the hon. member for Rouville (Mr. Lemieux) said the other day, we prize those liberties and we are anxious to keep them. It is true that there are some in Ontario who would like to do away with the French language, and who would prefer to have only one language. I was very much pleased at the beginning of the session to hear the hon member for West Peterboro (Mr. Burnham) champion the cause of the French language, because the French was the first language spoken in this country if we except the Indian languages. This country has been colonized by two great races, of which we are the descendants, and the two races have always been on a footing of equality. It is the aim, it is the wish, of the English-speaking and French-speaking people of this country to remain on a footing of equality. It was the aim of the fathers of Confederation, and it was the policy of our statesmen in the past, both Liberal and Conservative, and I was sorry the other night to hear my hon. friend from North York (Mr. Armsrtong) throwing insinuations and slurs at my right hon. friend the leader of the Opposition. He stated that the policy of my right hon. friend the leader of the Opposition had been to create racial prejudices in this country, to light the fires of racial feeling. My hon. friend from North York is very much mistaken, I am afraid he has gone to the wrong school, I am afraid he has taken too seriously the statements made by the hon. member for Frontenac. It has been the purpose of my right hon. friend the leader of the Opposition (Sir Wilfrid Laurier) since he has been in public life, to do his utmost to unite the two races in this country. He has devoted the best of his life to this task, and I think he has succeeded in a large degree. He has always said, as Sir John Macdonald said before him, that he wanted the two races to be equal in this country. No race should dominate over another; both should be equal. I think my hon. friend from North York, who prides himself on representing an historical county, which elected at one time the Hon. Mr. Lafontaine, should discard these prejudices, and go to a better school than he seems to have gone for some time. Some Conservative organs in the province of Ontario have tried for a few years to fan the flame of racial prejudice. They did it at the last general election, and they are doing it still, and my hon. friend from North York must have been influenced by reading the newspapers of Toronto. I hope that when he has passed a few years more in this House his ideas will be broadened.

Mr. Speaker, I do not intend to speak at any greater length. I voted the other day for the amendment proposed by my right hon. friend the leader of the Opposition. I voted for a Canadian navy. The policy of the Opposition is based on the same principle as in 1910. We have not changed. The change has been on the other side. Our policy is just the same to-day as it was in 1910, and I think it is the policy of the Admiralty, the policy which the Admiralty would prefer if it had been offered to them instead of a contribution. I consider it is the best policy for Canada. We should have the interests of Canada at heart before anything else. We have a great country which is developing very fast. We need our revenues to develop our country, but, at the same time, I recognize that we must spend a certain amount for naval defence, as well as for land defence, to preserve our country from attack, and to allow our prosperity to increase. I am in favour of the amendment proposed by my hon. friend from Assiniboia (Mr. Turriff). I think this is one of the greatest questions that has arisen since Confederation. In 1911, when the commercial arrangement was entered into between the representatives of Canada and the United States, the Conservatives who were then in opposition, wanted to appeal to the country before reciprocity was adopted. They wanted the country to pronounce upon it. This naval question is just as important as reciprocity, and the people have just as much right to give an opinion on this policy as they had on the reciprocity agreement. The Government may say that they have a mandate to enact this policy. As my hon. friend from Welland (Mr. German) proved

the other night, they have no direct mandate. This contribution policy has never been a direct issue before the people. The Government are willing to appeal to the people on the question of a permanent policy. I maintain that this is a permanent policy; I maintain that it is the first instalment of their policy. We do not know what the rest of it may be. It may be a continuation of the contributions as my hon. friend from Brantford (Mr. Cockshutt) seems to favour, or it may be a contribution of men the next time. At any rate, I maintain that the relations of Canada with the Empire will be changed, and that the people of this counryt should have an opportunity to approve or disapprove of the policy of the Government, and to approve or disapprove the policy of the Opposition. Some would prefer a plebiscite. I understand that some of the Nationalists would prefer a plebiscite, but I do not think there are many now, if we can judge from the vote given the other night when not one of them voted for an appeal to the people. But it is rumoured that an amendment will be proposed by one of them asking for a plebiscite. This Government does not seem to be enamoured of plebiscites, but suppose we had a plebiscite, I think the people would prefer to have in power a government who would be in favour of the policy which they introduce. If they prefer a Canadian navy, they would want a government in power who was in favour of a Canadian navy, and if they prefer the contribution, they would keep my hon. friends in power, because they are in favour of a contribution. So far as I am concerned, I propose to vote for the amendment proposed by my hon. friend from Assiniboia, and I hope that the Government will in the end consent to accept the policy as proposed in that amendment, and will appeal to the people.

On motion of Mr. W. S. Loggie (Northumberland, N.B.), the debate was adjourned.

On motion of Mr. Rogers, House adjourned at 12.35 a.m. Saturday.

HOUSE OF COMMONS.

MONDAY, February 24, 1913.

The SPEAKER took the Chair at three o'clock.

FIRST READINGS.

Bill No. 122, for the relief of Minnie Edna Brownell.—Mr. Oliver.

Bill No. 123, for the relief of Alfred Milton Durnan.—Mr. Oliver.

Mr. PROULX.

PRIVATE BILLS.

MANITOBA-ONTARIO RAILWAY COMPANY.

House in Committee on Bill No. 107, to incorporate the Manitoba-Ontario Railway Company.—Mr. Carrick.

On section 8—line of railway described:

Mr. LANCASTER: There have been several changes in this section, and I would like to read it, as amended in the Railway Committee, so that the House may know what the amendments are:

The company may lay out, construct, and operate a railway of the gauge of four feet and one-half inches, from a point on lake Superior in the city of Fort William, in the province of Ontario, thence by the most feasible route, to a point on the Lake of the Woods at or near Falcon island, thence across the Lake of the Woods to a point, by the most feasible route, in or near the city of Winnipeg, in the province of Manitoba, together with a branch line, from a point on the main line of the said railway at or near White Fish lake, southwesterly to a point on the international boundary between the province of Ontario and the state of Minnesota, at or near Gun Flint lake, and also a branch line, from a point on the main line of the said railway, at or near Manitou lake, thence northerly to a point at or near Dryden, thence northerly to a point on the National Transcontinental railway within the district of Kenora.

Section agreed to.

Bill reported, read the third time and passed.

PATENT OF HON. AMBROSE D. RICHARD.

House in Committee on Bill No. 100, respecting a patent of the Hon. Ambrose D. Richard.—Mr. Fowler.

On section 1—extension of time for payment of fees:

Mr. NESBITT: Would somebody tell us why this patent was allowed to expire, and why they want it extended?

Mr. ROGERS: The father of the Bill does not appear to be in his seat. If my hon. friend has any special objection, we will be glad to allow the Bill to stand.

Mr. CROCKET: This patent expired simply for non-payment of fees. through an oversight. There had been only one default and the application was made very shortly after the expiration of the first six years. The Deputy Minister of Agriculture, who was before the committee, said that there was no objection to the committee passing the Bill.

Mr. MACDONALD: What is the patent for?

Mr. CROCKET: A composition of paint.

Mr. NESBITT: I have no special objection except my disapproval of this method of renewing patents. It is generally understood that whoever applies for a renewal of a patent will give us some good reason why the application should be granted. I do not think that any person should expect the House to renew a patent if he does not take enough interest in it to come to the House and explain why he wants the renewal. If an individual is too careless to look after a patent in the proper way I do not see why we should interfere. There is a clause in the Bill protecting those who have started to use the article, whatever it may be. When patents are allowed to lapse I have never thought that we should renew them without a very good reason being given for doing so. Here we are asked to renew a patent and the promoter of the Bill does not take enough interest in it to come to the House and explain why it should be renewed.

Mr. ROGERS: In order that there may be no misunderstanding, I would like to say that my hon. friend from Kings and Albert (Mr. Fowler), who is in charge of this Bill, has been quite ill for a month; otherwise I am quite sure he would be in his place. I am convinced that he would not have asked this House to renew this patent unless he had good reasons for doing so.

Mr. GRAHAM: I suppose that the Minister of Agriculture, who is in charge of these patents, will have to be responsible for this Bill. It is in his department that the matter rests. If he wishes to take full responsibility in the absence of the member I have no objection, but I think that as head of the department he ought to do so.

Mr. BURRELL: With respect to this particular Bill, I would say that, if there is no justification why the House should allow this Bill to slip through, there is no justification for passing any patent Bill. While I quite understand the objection raised to the renewal of a patent in the absence of the member in charge of the Bill, yet, during the last six or seven years, something like thirty-four Bills have been put through and I think I can fairly say that the majority of them have been passed with perhaps less justification than there is for this Bill. I raise no particular objection to this Bill because it was a sheer matter of inadvertence on the part of the attorneys who had the matter in charge when the last payments were due. There are, with regard to many other patent Bills, considerable grounds for objection, but in this case I do not see why I should take a stand against this Bill unless a much stronger objection is raised than the absence of the hon. gentleman who is in charge of the Bill.

Mr. NESBITT: There has been no ground stated why this Bill should be passed. As the hon. Minister of Agriculture (Mr. Burrell) says, there probably have been Bills passed when there were stronger reasons than exist in this case why they should not be passed, but certainly none have been passed with less reason given than in this instance. In fact, no reason at all has been given.

Mr. ROGERS: You must bear in mind that the committee gave consideration to the application for this Bill and unanimously decided in its favour. It must have had some information on the subject.

Mr. NESBITT: Then, the chairman of the committee ought to be here.

Mr CROCKET: I have already stated that this was simply an oversight on the part of the attorneys and the committee, as they have, as with practically every other application of this kind, decided to report the Bill on that ground. Had these fees been paid the patent would still be alive. The payment having been overdue simply as the result of an oversight, they decided to report the Bill to the House. No one can possibly be hurt because the usual saving clause in it. There can be no objection to passing this Bill in view of the fact that the House has time and again passed Bills where there has been less justification for the failure to pay the fees than in this case.

Mr. MURPHY: Would the hon. gentleman say if the department was represented before the committee and if so what position the department took?

Mr. CROCKET: The Deputy Minister of Agriculture stated that if any Bill should pass the committee because of an oversight it was this one. The application was made very shortly after the lapse of the six years.

Bill reported, read the third time, and passed.

CANADIAN ACCOUNTANTS' ASSOCIATION.

On section 2—objects and powers.

Mr. LEMIEUX: I would like to get the opinion of the Minister of Justice (Mr. Doherty). I happened to be at the Private Bills Committee the other day when this question came up and as it has reference to education I thought that this Parliament had no right to legislate on the matter. There was a very long discussion and my

view was shared by several members of the committee.

Mr. DOHERTY: The hon. gentleman says that this is a matter of education; but, while the Bill contains a provision for holding examinations, I cannot, beyond that, find any reference in it to education.

Mr. LEMIEUX: Under clause 2 the incorporators are empowered to hold such examinations as may be found expedient; to grant certificates of efficiency to its members; to establish classes of membership; to determine the rights, privileges, terms and conditions of said classes; is not that interfering with education?

Mr. CROCKET: My hon. friend has not the reprinted Bill. The provisions (c) and (d) with regard to establishing classes of membership and determining the rights, privileges, terms and conditions of such classes, have been stricken from the Bill.

Mr. LEMIEUX: The Bill still effects education and does not in my opinion come within the purview of this Parliament. I would like to get the opinion of the Minister of Justice on it before taking any decided stand one way or the other.

Mr. DOHERTY: As I understand it the Bill does not make any provision with regard to education or training; it fixed a standard of efficiency with regard to the practice of the profession of accountant, and provides that this association may examine people, and if the result of the examination be satisfactory may issue a certificate of efficiency. In other words they do not deal with the education of anybody but they, so to speak, take the finished product, the educated man who presents himself and after examining him they may give him a certificate of efficiency as being in their judgment fit to be an accountant.

Mr. LEMIEUX: It looks to me as if there was an encroachment on provincial jurisdiction. The Minister of Justice will remember that when Dr. Roddick was a member of this House, he introduced a Bill to standardize the medical course in Canada, and he created a Canadian council, which, to the best of my recollection, could give diplomas to doctors, provided they passed certain examinations under a Canadian board. But there was a clause inserted in that Bill saying it should come into effect in a province only when the legislature of that province accepted the Dominion legislation.

Mr. CROCKET: Clause 11 of the reprinted Bill provides:

Nothing in this Act shall be constructed to interfere with or impair legislation upon the subject of accountancy now or hereafter enacted by legislative authority of any province of Canada, or as giving to members of the association the right to use any name, title, initial or description as accountants in contravention thereof.

The committee thought that would remove any possibility of conflict between the federal and provincial authorities.

Mr. LEMIEUX: That does not remove the objection. It takes for granted that this Parliament has the right to give the association the privilege of issuing certificates after a certain standard of examination has been adopted. I have nothing against the promoters of the Bill, but I am afraid the legislation is not within our jurisdiction. Perhaps it might be better to allow the Bill to stand so as to get from the Minister of Justice a more elaborate opinion than he has had an opportunity of giving this afternoon.

Mr. DOHERTY: I did not of course pretend to give any elaborate opinion, and it might be that after I studied the question further my opinion would not be elaborate. I have difficulty in seeing any force in the objection, that the Bill, on its face, deals with education.

Mr. LEMIEUX: It is not higher education.

Mr. DOHERTY: I do not see that it touches education proper at all. We are incorporating an association and we are authorizing that association to determine what shall be the qualifications for membership in the association; that is all. The difference between this Bill and the Roddick Bill, if I remember, is that the Roddick Bill provided conditions upon fulfilment of which a person would be entitled to practice the profession of medicine in each and all of the provinces. There is an entire absence of such a provision in this Bill. In the Bill the hon. member has referred to, this Parliament was trenching on the rights of the province, in undertaking to determine who should practice medicine within the province. In this case there is no condition as to practicing the profession of accountancy; a man may be an accountant without ever passing this examination, and the only thing we regulate is membership in this particular association of accountants. We merely authorize the members of this association to say what shall be the qualifications for membership in their association. Although I am not prepared to elaborate the question, I am quite satisfied that the legislation does not trench upon the field of provincial legislation in any way. There is nothing beyond the question of who shall be a member of this association.

Mr. EMMERSON: In this Bill, I see a tendency to centralization which is ob-

servable in a great deal of our legislation. The Minister of Justice has said that this Bill does not and would not interfere with provincial legislation along the same lines. In effect it does. So far as this Parliament is concerned, we are frequently passing statutes and Acts having relation to aduiting and the action to be taken by chartered accountants. The provincial Parliaments have in the past incorporated associations of this kind. There is one in each province; I presume there is one in Ontario and indeed similar associations in all the provinces. What is the object of this incorporation? Is it not rather for the purpose of having control in any statute which we pass in this Parliament, where there is a reference to a chartered accountant? Would that be a chartered accountant under the laws of a province or under the laws of the Dominion? Naturally, if there were no qualifying terms, where we had an Act of this character on the statute-book, it would mean a chartered accountant under the laws of the Dominion. In that case it becomes an interference with respect to chartered accountants, who may belong to some associations having provincial authority, but who do not belong to this association; and to that extent their rights are interfered with by this Parliament. We may have the power, which I very much doubt and do not think it was ever contemplated that we should interfere in this regard with the different provincial incorporations.

Mr. DOHERTY: The only privilege a man gets by joining this association is that he becomes a member of it. These gentlemen want to join this association in order to promote efficiency in accountancy; they desire to form an association of people who come up to their standard for that purpose. With regard to any possible interference, the Bill does not propose to give these people any particular status in the profession of accountancy. In the first place, this Bill by its last section specifically provides that it shall not interfere with or over-ride any legislation of the provinces enacted or to be enacted, so that I think more than ordinary care has been taken to guard against any such interference. You will further notice that same section prohibits the members of the association from using any name, title, initial or description as accountants in contravention of any provincial legislation. Therefore the provinces will remain in entire control of what names chartered accountants may take; and no member of this association will be entitled to call himself a chartered accountant in violation of any law of any province, or to give himself any title or description in violation of any such provincial law.

Mr. PERLEY: Perhaps I might explain this Bill as it was explained in Committee. In the first place, we have in Canada provincial associations of chartered accountants in every province except the provinces of New Brunswick and Prince Edward Island. My hon. friend from Westmorland (Mr. Emmerson) was mistaken in saying that there was a provincial association in New Brunswick.

Mr. EMMERSON: It came before the Legislature on one occasion, whether that association was formed or not.

Mr. PERLEY: There is also, under an Act passed in 1902, a Dominion association of chartered accountants, which is practically an affiliation of the provincial associations. No man can become a chartered accountant under the Dominion association unless he first becomes a member of one of the provincial associations; ipso facto he becomes a member of the Dominion association of chartered accountants. The gentlemen who are applying for this legislation are not chartered accountants. They are salaried employees, residing chiefly in Montreal, and are auditors or accountants of some of the large companies such as the Canadian Pacific Railway Company and the Richelieu and Ontario Navigation Company. I think the names of two or three large commercial firms were mentioned as having some of these gentlemen in their employ. They are gentlemen of long experience and receiving large salaries; they have an unincorporated society at present under this same name. These gentlemen, who are working under salaries, would like to be incorporated by this Parliament in order that they may take in men of the same standing all over Canada. It is true the question was raised in the Committee that this was a provincial matter and that they should have gone to the provincial legislature for their remedy. The chartered accountants appeared before the Committee and opposed this legislation as it was originally introduced. The Government suggested that the chartered accountants and the applicants for this legislation should endeavour to come to some arrangement. They did so, and the result is a reprinted Bill which has been agreed to by the chartered accountants. Under this Bill these gentlemen have no power except to decide who will become members of this association. The committee provided in section 11 for absolute protection of provincial rights in this matter, namely:

Nothing in this Act shall be constructed to interfere with or impair legislation upon the subject of accountancy now or hereafter enacted by legislative authority of any province of Canada.

These gentlemen are not allowed to use the name chartered accountant or any

initial such as chartered accountants use, and the use of which is by provincial statutes limited to chartered accountants. If the provincial legislatures wish to alter legislation in this respect at any time, they may do so. I do not wish to take any particular stand one way or the other regarding this Bill. As it is at present redrafted, I do not see how it can hurt anyone. If this Parliament passes legislation providing for auditing by chartered accountants, the persons asking for this legislation would not be empowered to use that name or do that work. If there is any objection to this Bill, it had better stand over for a time, until the members of the House have an opportunity to digest it. It seems to me to be innocuous, and I cannot see that, as it stands at present, it can injure anyone. These gentlemen are anxious to obtain the legislation, and I see no particular reason why it should not be granted, but, under the circumstances, I would suggest that the matter stand over for further consideration.

Mr. LEMIEUX: I have no objection to the Bill, nor to the gentlemen asking for this legislation. I know nearly all of them, and am quite sure that they mean well; but it seems to me that we cannot ignore clause 2:

> The object and powers of the association shall be to fix standards of skill and competency and thereby promote efficiency in accountants, and for the said purpose the association may—
>
> (a) hold such examinations as are found expedient; and
>
> (b) grant certificates of efficiency to persons who have passed such examinations.

I know that certain other bodies have similar powers, but they come under the purview of the provincial legislatures.

Mr. PERLEY: Does not my hon. friend think that clause 11 remedies that difficulty, and leaves the matter entirely in the hands of the provinces? It was for that purpose that clause 11 was added by the committee to the Bill?

Mr. EMMERSON: It seems a remarkable procedure, when four or five gentlemen from Montreal wished to create themselves into an association for the purpose of fixing a standard throughout the Dominion, that in the Bill proposing the legislation there should be a section which my hon. friend claims would entirely do away with the powers contained in section 2.

Mr. BENNETT (Calgary): What this Bill purposes to enact is to create a corporation composed of four gentlemen residing in Montreal, in the province of Quebec, and, as such, it seems to me that it is purely provincial legislation, and should not be passed by this Parliament. I would like the Minister of Justice to say whether or not this Parliament should create a corporation for purely provincial purposes, composed of four or five persons residing in one province only?

Mr. MURPHY: One of the objections urged against this Bill by the hon member for Argenteuil (Mr. Perley) was that the legislation was being sought by a number of gentlemen who are not themselves chartered accountants, and that there already exists a body known as the Dominion Association of Chartered Accountants. If that is the fact, it does seem to be anomalous—and I direct this to the attention of the Minister of Justice—that a body of men who are not themselves chartered accountants, and all resident in Montreal, should be given authority to fix a standard of accountancy throughout the Dominion. I understand that to be one of the chief objections of the members of the Dominion Association who are opposing the passage of this Bill. These circumstances, and the additional fact that there is already a Dominion body and that another should not be created with co-ordinate jurisdiction, may have been considered and disposed of by the committee, but I would like the Minister of Justice to have these in mind when giving his opinion.

Mr. PERLEY: I may say that representatives of the Dominion Chartered Accountants came here to oppose the Bill as originally printed, and the reprint was made as the result of an arrangement between the Dominion Association of Chartered Accountants and the gentlemen who have asked for this legislation. When that was done, the committee thought, if the chartered accountants considered themselves protected by this legislation, that there was no reason why it should not be granted.

Mr. LEMIEUX: If this matter did not vitally affect provincial rights, certainly no great objection could be raised as against the arrangement arrived at between the parties, but, if the evil exists, is it not better to cure it now?

Mr. DOHERTY: I have not the slightest objection to allowing the Bill to stand over. Referring to the remarks of the hon. member for Calgary (Mr. Bennett), I may say that there cannot, of course, be the slightest doubt that this Parliament cannot incorporate an association having purely provincial objects, but I do not think that it follows because persons asking incorporation all live in one province or one city, that the objects of that corporation are purely provincial. I think we can safely put aside consideration of the fact that these gentlemen all live in Montreal. The whole question resolves itself into a consideration of the objects of this corporation. As I understand it, this Parliament has under the British North America Act full powers of incorporation, save in so far as exclusive power is given to the provinces to in-

corporate companies with provincial objects. So long as it is not shown to us that the object of this corporation is purely provincial, I take it that we have the power to incorporate it. One of the grounds upon which it is claimed that the purpose of this corporation is provincial is that it deals with education, and if I follow the hon. member for Calgary, he suggests that its purpose is merely to carry on its operations within the province.

Mr. BENNETT (Calgary): It is given merely a corporate existence within the province, and the legislation is, therefore, purely provincial.

Mr. DOHERTY: If they get the corporate existence under this charter they will have power to extend their operations, wherever any of their members may live, throughout the Dominion. I do not quite grasp the objection made by the hon. member for Calgary in that regard. If they have power to carry out their operations throughout the Dominion and they will have that power if we incorporate them—I do not think it would follow, merely because they did not at once proceed to exercise that power in more than one province that we could not incorporate them.

Mr. EMMERSON: If the provincial legislatures have the power to fix a standard of efficiency within the province, and if this Bill does not propose to interfere with any provincial legislation in that regard, why are we asked to authorize the company to fix standards of skill and competency throughout the Dominion?

Mr. DOHERTY: The only standard of skill or competency it has power to fix is the standard of skill or competency required of a member of the association.

Mr. EMMERSON: That is provincial, then?

Mr. DOHERTY: If the association has for its object the carrying out of its purpose throughout the Dominion, then, subject always to the suggestion that this is an educational matter, their object would not be purely provincial.

Mr. EMMERSON: Indirectly it certainly is educational.

Mr. DOHERTY: I have explained my views on that subject. I quite recognize that such eminent members of the profession as the two gentlemen who sit opposite are just as fully entitled to express an opinion on this subject as I am, and that this House is as free to accept their opinion as mine. I have expressed these opinions only because I was asked to do so, not because I claim any particular authority to speak ex cathedra on this subject. With regard to the fixing of the standard, they do not pretend to fix any standard except for membership in the association. However, as it has been requested that the Bill should stand over I shall be very pleased to have it carefully examined.

Mr. LEMIEUX: I need not say that I would always accept the opinion of the Minister of Justice as against my own and I hope he will not think that I would not accept his view because I asked for the postponement of the examination of this Bill; when the hon. minister has looked more accurately into it he may change his view.

Mr. DOHERTY: As long as we live we may change our minds.

Progress reported.

CANADIAN MEDICAL PROTECTIVE ASSOCIATION.

House in Committee on Bill No. 89, to incorporate the Canadian Medical Protective Association.—Mr. Chabot. (Mr. Deputy Speaker in the Chair.)

Mr. BURNHAM: There seems to be a great deal of objection to this Bill in its present form. Amongst others, Mr. Hamilton Cassels, of Toronto, the well known lawyer, objects to it as an infringement of provincial rights, although he is not representing the provincial Government. He also says that it interferes with individual rights, and that it does not define the fact that it applies only to members of the association. Generally, the Bills seems to be badly drawn. The promoter says he does not mind adding a provision that it refers to the members of the association incorporated. If he does that, I have no further reason to oppose the Bill.

Mr. CHABOT: I am quite prepared to add that it relates only to the members of the Canadian Medical Protective Association, it does not profess to refer to the homœopathists or the osteopathists or even the Christian Scientists.

Mr. EMMERSON: Section 2 of this Bill is very objectionable legislation. It is practically along the same lines as the Bill we have been discussing, having as its aim and object the interference with a provincial matter. It is another example of the tendency of which I spoke a few moments ago, towards centralizing power in the Dominion Parliament. This is evidently an association formed to fight matters that may arise in the provinces. We are incorporating a body that will be widespread in its membership; every member of this association has to contribute annually certain sums of money which is to be used in litigation in the several provinces with respect to what may be considered unauthorized medical practice. Unauthorized practice covers a large field.

There are certain schools of medicine, certain modes of relief and cure of disease and it is claimed, at least in some provinces, that a great deal more liberty should be given to the patient in the selection of his method of cure than is permitted even under the provincial enactments. This is a Dominion incorporation, apparently having as its aim and object the contestations that may arise in connection with provincial legislation in the matter of medical practice. I do not think we should give power to any corporation having that end in view. Then by section 4 the existing by-laws, rules and regulations of the unincorporated society are made the constitution, by-laws and rules of the association, in so far as they are not contrary to law. Such legislation is absolutely improper in its mode, by it we are making a plunge in the dark, and are incorporating in a Dominion law certain rules and resolutions which have been passed by some society at its meetings.

Mr. CROCKET: Is it making any more of a plunge in the dark than to authorize the association to pass whatever by-laws they want to?

Mr. EMMERSON: Certainly. This is making it a constitution; the constitution of an incorporated society is the legislation creating it. The by-laws are entirely different; they relate to the internal management of the society, which has rightly the power to pass by-laws for its internal management. If we adopt the fourth section we furnish the machinery for the carrying out of subsection (b), of section two, which is:

> To encourage honourable practice and assist in the suppression and prosecution of unauthorized practice.

I think that under the provincial statutes which the medical profession have and which are monopolies of the most extreme character, they have sufficient power to do everything that they would wish to do and, indeed, many people throughout the country think they have arbitrary powers now, powers that are used many times not for the benefit of the patient but of the profession, and if, by this Act, we form a great body which extends from one end of the Dominion to the other and provide methods whereby that body can take action in any province with respect to complaints as to offences against the particular enactments of the respective provinces, we may cause a great deal of trouble. In New Brunswick we have had struggles with respect to osteopathic treatment. I am not competent to discuss the question but I do know that there are thousands in New Brunswick who think that that is the treatment they should have and that they and their friends are benefited by that treatment. They ask and claim the right to have the benefit of that treatment. Here you are creating a great corporate body from one end of the Dominion to the other in its membership, and the members are compelled, under the constitution and by-laws of the incorporated society, to contribute varying amounts to a central fund. I submit that there is a proposed and intentional interference in this Bill with the rights of the subjects in the respective provinces with regard to their medical attendance. I think this legislation is dangerous. It is legislation against the interests of the mass of the people, and is the creation of a monopolistic corporation, which can throw out its powers to-day in one province, and to-morrow in another, covering the whole of the provinces of the whole Dominion, as against the rights of the individual in the matter of the selection of his method of cure and treatment in the case of disease. I think that the fears expressed by the gentlemen who made representations to my hon. friend from Halton (Mr. Henderson) were well founded. I had not turned my attention to the Bill at all until I had placed in my hands the constitution and by-laws, or report of the Canadian Medical Protective Association, and until I had had an opportunity of reading that report I had no idea of what the aims and objects of this association were. It seems to me that the legislation is dangerous, and that it should not be permitted to interfere with the legislation that is being enacted yearly throughout the different provinces.

Mr. HENDERSON: When I presented a petition a week ago from a number of my constituents asking me to oppose this Bill, I confess I was not at all familiar with its character or objects. Since then, having asked that the Bill stand over for a week and the committee having consented, I have communicated with some of those petitioners, and ascertained more definitely what their objection was. The objection which they pointed out to me is mainly what has been referred to by the hon. member for Westmorland. They are in favour of the practice of osteopathy. Now I confess I am not familiar with that mode of treatment for the purpose of curing diseases. It may be a good thing; I do not doubt that it is. I obtained from a medical work a few days ago a definition of that practice. It reads thus:

> Osteopathy is the science and art of healing and curing diseases without the use of knife or drug.

Well, if any class of people desire to be treated in that way, I am sure I am quite willing that they should be relieved of having to submit to the knife, or of having

drugs administered. They say that—this is their theory—

An osteopath regards the body as a wonderful mechanism, and treats it as an intelligent machinist would treat a complicated machine with which he was practically familiar.

They say further, that

Disease is regarded as simply disorders. To restore the health the disordered parts must be corrected. Osteopathy believes the giving of drugs for the cure of human ills to be unscientific.

I do not agree with that; however, that is their theory.

The treatment for the cure of disease,—

They say,

—is by manipulation. By exciting the nerves, they cause the muscles to contract and compress a venous flow of blood from the heart. The bones may be used as levers to relieve pressure on the nerves, veins and arteries. The patient is examined from the physical standpoint. In the eyes of the osteopath he is a machine out of order. By his knowledge of the details of a human machine when in health, the osteopath feels able to detect the disorders that are present in the disease. The object of treatment is to aid nature in establishing the normal activities of the diseased parts. The mode of treatment is a scientific manipulation, by which the dislocation is reduced, and the disorder relieved.

Now there are people in the province of Ontario—I believe many of them—in the small county that I have the honour to represent, in one small section of it, there are a number who protest very strongly against the provisions of this Bill, which are apparently directed against the practice of that mode of treatment. I take strong exception to the use of the words contained in clause 2 of the Bill, subsection (b) which gives to this society the power to assist in the suppression and prosecution of unauthorized practices. The words which my constituents take exception to are more particularly 'the prosecution of unauthorized practices.' I understand that this mode of treatment, osteopathy, is an unauthorized practice. I am not aware that it is authorized by the Medical Council of the province of Ontario. I am led to believe that it is not an authorized practice, and consequently, if this Bill passes in its present form it will be a direct blow at those people who practise that mode of healing. My constituents say they are being interfered with, if they are not to be permitted to employ the means of healing which they think is a proper thing; hence my objections to the Bill. There are other clauses of the Bill to which I object. I think it is a very large power to place in the hands of this incorporated body.

Mr. EDWARDS: Do I understand the hon. member to say that he thinks that, if any persons considered that they should treat any disease without drugs, they should be privileged to use their own judgment in the matter entirely?

Mr. HENDERSON: I am not saying whether the theory of those people is a correct theory or not. But I do say that there are many people who believe in this system of treatment, and who do not want to be prevented from having any diseases that may afflict them treated in that way. Permit me to say that a few days ago, without knowing that this Bill was before the House, or the nature of it, I was informed that a medical doctor in the city of Toronto of very high standing—and I say this on very excellent authority—failed to cure his own wife of a malady to which she was subject. He then applied to one of those people practising osteopathy, who brought about a cure to his satisfaction, and he was remonstrated with afterwards by his brother practitioners. He did not think it was fair, and it shows the extent to which people would go if this Bill became law. It shows how individual rights would be interfered with, when a medical man himself is remonstrated with because, after practising on the members of his own family, and having failed to bring about a cure, he succeeded in having that brought about by one practising another mode of healing which I understand is not regarded as being authorized. I think some change should be made in that section. I am not going to suggest the change; I do not feel competent to amend this Bill in a way that would meet the general wish of the people or the wish of those who believe in practising this particular mode of healing. I leave it with the promoters of the Bill to make it satisfactory to the people and to do that I think they would be obliged to strike out the whole clause. There are other sections of the Bill to which I would take objection. I do not like the idea of some eight hundred persons—I am told that is about the number that belong to this unincorporated society—being given these powers. Not only the eight persons named in the first section as incorporators are endowed with these powers but it states that all other members of the present unincorporated society, known as the Canadian Medical Protective Association, shall be members of this corporation. I do not take any exception to those who are named as incorporators, but it seems an extraordinary thing to include as incorporators about eight hundred people of whom we know nothing whatever. I doubt if even the hon. gentleman for Westmorland, who has been provided

with a copy of the constitution, knows who these eight hundred people are. I object to other clauses as well. I think they are altogether too drastic. I decidedly object to clause four which says:

Until altered or repealed by the association in general meeting, the existing constitution, by-laws and rules of the said unincorporated society, as adopted in August, one thousand nine hundred and one, and amended from time to time subsequent thereto, in so far as they are not contrary to law or to the provisions of this Act, shall be the constitution, by-laws and rules of the association.

What do we know about these by-laws, rules and regulations? The hon. member for Westmorland has been furnished, perhaps within the last hour or two, with a copy of these but he has not had time, I am quite sure, to digest them and no other member of the House has had an opportunity to really consider what these by-laws, rules and constitution are. Consequently, I think it is unfair to ask this House to incorporate a clause like that in this Bill. I do not think that it is the practice of the House. I am not aware of any legislation of that character having gone through the House and I think we should be extremely careful to know just what we are doing before we adopt a Bill containing such a drastic clause. Clause 5 also says that the present officers shall be the officers of the association. Who are they? I confess I do not know. I think we ought to know something of them. The Bill also provides that they shall have:

All powers and authorities at present vested in them by the said existing constitution, by-laws and rules of the said unincorporated society, until replaced by others in accordance with the constitution, by-laws and regulations of the association.

I point these out as objectionable features. I hardly like any clauses in the Bill. The petition that comes to me asks me to oppose the Bill and I am going to oppose it from beginning to end. I think that is the proper way to treat it because, were I to attempt to amend it, I might make it worse and, Heaven knows, it is bad enough already. Too much power is placed in the hands of these people more particularly in matters such as I have made reference to. Surely we can leave something to the people; surely we can leave them some choice. If a man, or if a member of his family, is ill, surely we are not going to dictate to him exactly what kind of treatment he is going to have administered to himself, or to his wife, or children.

Mr. SCHAFFNER: If we pass this Bill he will still have that choice.

Mr. HENDERSON.

Mr. HENDERSON: I would like to know what is the meaning of this provision vesting in the association the power of prosecution with reference to unauthorized practice. I do not understand osteopathy to be authorized by the Medical Council of Ontario. If I understand correctly that is not authorized practice and consequently any man, either in Ottawa, Toronto or elsewhere, may be punished for engaging in this unauthorized practice. That danger immediately arises if this Bill passes. There is no danger as long as we do not pass the Bill. I think it is our duty to protect the people and not pass the Bill. I therefore express my strong opinion against the Bill and declare that I intend to oppose every clause of it.

Mr. EMMERSON: I want to invite the attention of the committee to just what is proposed to be done. We are proposing to incorporate this Bill in the Statutes of Canada without knowing what is contained therein and I therefore propose to read the following as a declaration of that which we would make a part of the statutes if we were to accept section four of the Bill:

We believe it to be in the interest of the medical profession of Canada that an association should be formed by this body for the protection of such members of the medical profession as may become members of this association, and who may be unjustly prosecuted for malpractice. The object of this association is to protect its members from prosecution where such action appears to our counsel and solicitor, as well as the committee in charge, to be unjust, harassing or frivolous.

2. That this association may be formed under the name and style of the Canadian Medical Protective Association.

3. The officers shall consist of a president, a vice-president, a secretary-treasurer, and a solicitor. These officers shall hold office for one year.

Then the constitution provides for the payment of money into the treasury and it also provides machinery whereby an action for malpractice against any member of this association shall be taken hold of by the corporation, and handled anywhere within the Dominion; it may be in the Yukon, or it may be in the province of Nova Scotia. An action of this kind is brought on behalf of somebody against a physician on the ground that he feels he has been unjustly treated and the whole army of this corporation from one end of the country to the other is brought into action to fight the one poor individual who may claim to have a grievance with respect to the treatment he has received. This may be all right for the members of the medical profession who belong to this association but I hold that it is trifling with this Parliament to have a Bill brought before it

with all these provisions hidden within the lines and not exposed to the view of the House or of the country. I do not want to use extravagant language, but I do hold that this is the most iniquitous Bill that has been presented to Parliament in my time.

An hon. MEMBER: Oh.

Mr. EMMERSON: My hon. friend may laugh, but I am viewing it from the standpoint of the people. If these gentlemen want any special privilege why do they not go to the provincial legislatures? They come to this Parliament and ask with the main object of creating themselves a monopoly. It is treating this Parliament with want of proper respect to ask us to write into this statute the different things they ask. If you want to create combines to protect individual members of a profession in the matter of litigation, let them go to the provinces that created the medical associations. My hon. friend from Halton (Mr. Henderson) has well said this legislation is designed for the purpose of placing each individual in this Dominion at a disadvantage in relation to his medical adviser. The legislation is wrong from the standpoint of the Dominion, wrong from the standpoint of provincial rights, wrong from the standpoint of justice to the individual. I do not wish my remarks to be considered as reflecting upon the medical profession, but I do think that they should not come here to claim rights which other classes in the community do not claim. They have no right to ask this Parliament to place them in a position where they can as one body combine from ocean to ocean to fight an individual in the courts.

Mr. HAZEN: I think my hon. friend from Westmorland (Mr. Emmerson) as well as my hon. friend from Halton (Mr. Henderson) have discussed this question from an entirely mistaken idea as to what this Bill means. So far as I can gather from the Bill, it is not aimed at any particular class in this community who carry on the practice of healing the sick in a way that is not approved of by what may be called the old line school of physicians. If you read this Bill from cover to cover you cannot find one single sentence that would lead one to suppose that the position of the osteopath or the homeopath or the practitioner of any other school would be any different after the Bill is passed from what it is now. The law which regulates the practice of medicine is provided for by statutes in the different provinces, and this Bill does not purport to change that in any way. If I thought for a moment that this Bill would have the effect of preventing the osteopath from practising in this country I would vote against it. I have had considerable experience in connection with osteopaths having on two occasions acted as counsel defending an osteopath in New Brunswick against whom charges were brought by the medical council of New Brunswick for practising medicine in violation of New Brunswick Medical Act. On both occasions the court held and held properly that he was not practising medicine within the provisions of the New Brunswick Act. I am well aware that the osteopaths are to-day, in the United States particularly, recognized by the physicians who belong to the allopathic school, and I was told by a gentleman in Boston who is a very eminent surgeon, an osteopoedic specialist, that he did not hesitate to consult with osteopaths in the course of his practice, and that he had found it beneficial to do so. I would not vote for this measure if I thought for a moment it would in any way make it more difficult for the osteopath to practice his profession than it is at present; but my hon. friend from Halton and my hon. friend from Westmorland are entirely in error in reading into this Bill something which is not there. It appears that there is existing an association composed of a number of gentlemen called the Canadian Medicial Protective Association, which as the name implies, is for the protection of the medical profession in Canada. There is no reason in the world why these gentlemen as they are to-day, cannot, as medical societies do in the different provinces, take action if they choose against any person who is not practising medicine in accordance with the laws of the province in which he resides. But time and time again associations that have originally been voluntary find that it is more satisfactory to carry on their work if they obtain a charter and become a legal entity, and therefore these gentlemen have come to this Parliament, and have said: we have hitherto been carrying on this as a voluntary association and we ask to be incorporated so that we will have the same rights as other incorporated companies. I cannot see any objection to that. If we deny a charter to these gentlemen I believe we will do something that is improper and I think we should not be stampeded into such action by arguments which have no real foundation. There is not a line in the Bill which makes it more difficult for the osteopath to practice his profession in Canada after the Bill is passed than at present. My hon. friend (Mr. Emmerson) has called attention to section 4, which states:

> The constitution, bylaws and rules of the society as adopted in August, 1901, and amended from time to time subsequently, in so far as they are not contrary to law——

I ask the committee to hear these words:

—in so far as they are not contrary to law or the provisions of this Act shall be the constitution, bylaws and rules of the association.

It seems to me that that clause in the Bill is largely innocuous. Very like chips in porridge, it does neither good nor harm. All that it means is that until new by-laws or rules are adopted, the by-laws and rules of the society at present in force shall continue. If the clause is not in this Bill —I do not think it is of any importance whether it is or not—all that the members of the society would have to do after its incorporation would be to meet together and pass the same by-laws and the same rules as they had before, providing that they are not contrary to law or to the provisions of this Act. If any of those by-laws at the present time are contrary to law or to the provisions of this Act, even if section 4 is passed, those by-laws and rules would not apply, because of the express provision contained in section 4 that they should not apply. I myself would oppose as strongly as any member any Bill that would alter the statute so as to make it more difficult for a man to carry on his practice. I can read nothing of that sort in this Bill. I think it would be an injustice to the gentlemen who are asking for incorporation not to give it to them, because we have given incorporation under similar circumstances to many others in this country.

Mr. CHABOT: I must confess my admiration for the solicitude and devotion of the hon. member for Halton (Mr. Henderson) relative to the mental anxiety and the physical welfare of some of his very anxious, cautious, and apprehensive constituents, and also my admiration for the unlimited confidence which the hon. member for Westmorland (Mr. Emmerson) seems to possess in regard to the honesty, integrity and good intentions of medical men as a rule, and for his serious apprehension in regard to matters which really do not exist, and have no relation whatever to the Canadian Medical Protective Association, or to the Bill under consideration. In my opinion these hon. gentlemen are labouring under a misapprehension. They do not seem to understand or to properly interpret the meaning or the intention of the Bill, nor to fully understand its objects. Some time ago, when I introduced this measure, I attempted to explain some of the aims and objects of the association. I mentioned that it was intended to encourage honourable practice, to protect, to advise and to assist its members against injustice and unfair proceedings, against blackmail, and also to protect the interests of the members themselves—and this refers only to members of the society—without any desire on their part to interfere with or to encroach or infringe upon the rights of any other school, whether it be homœopathic, osteopathic or Christian Science. Let me remind hon. gentlemen that the education and practice of medicine are regulated by various provincial Acts, while the code of medical ethics, conducive to the welfare of our profession, which maintains its dignity and its standing, and which determines its professional conduct, is quite conventional and is carried into effect by the members themselves. I think the same applies to other professional bodies and even to commercial bodies. Under those conditions, inasmuch as this society has been in existence for twelve years and has been doing good work in so far as its own members are concerned, as the policy of the Canadian Medical Protective Association is essentially one of fraternity and protection, and not one of aggression or interference, as the gentlemen who are asking for incorporation are gentlemen, in my opinion, of repute, honourable gentlemen, and because this society is identical with the British Medical Protective Union, which is incorporated in the Old Country, it seems to me that there is no reason for any undue anxiety for hon. members' minds to be perturbed to the extent of drawing wrong conclusions, and making a great deal out of little, and that this Bill should be allowed to go through inasmuch as it is intended to protect men, who are working in the best interest of the people without any desire to interfere with or to encroach upon the rights of others, and who are certainly, in my opinion, rendering valuable services to the people of the Dominion of Canada.

Mr. STEVENS: I have received very extensive representations in regard to this Bill from some of my constituents. I have a very deep admiration for and a very high opinion of practically all the members of the medical profession with whom I am acquainted. The question of the various schools of medicine is largely a question of opinion. I have some suggestions to make which, if the promoter will take them into consideration, would probably overcome the difficulties in connection with this Bill. In so far as the Bill provides for the mutual benefit and protection of the association named, I cannot see any objection to it except possibly one, which is this: The committee should take into consideration the prevention of by-laws being passed by the association which might place impediments in the way of individuals who did not belong to the association. Let me explain by a particular instance. In the province from which I come, there is a very strong medical association, which makes it exceedingly difficult for medical men to come into

the province from the other provinces of Canada or from other parts of the British Empire; and a large number of medical men in the province object to this association. There are medical men in Canada who might not wish to be members of this association. Its collective power, once it is formed under a statute of Canada, would be very large indeed. The association, which is asking for incorporation here, represents one school of medicine, the predominating school at the present time. I think its name should be specified. I think, for instance, clause 1 should read, The Canadian Allopathic Medical Association, so that the public may know that this Bill specifically applies to that particular school. Possibly we could incorporate in the Bill a clause to the effect that nothing in this Bill shall apply to other schools of medicine. That is just a crude suggestion, because I have not attempted to draft an amendment. The object is that this Parliament shall not recognize this particular school to the exclusion of all other schools of medicine. I might point out a fact in connection with this. The allopathic school very frequently uses the methods of the osteopathic, the chiropathic and the other schools. For instance, I know of a case—the circumstances relating to which can, I think, be substantiated by an hon. member of this House—wherein a little girl suffered from paralysis of a certain part of her body, possibly as the result of neglect, or some cause which was overlooked at the time of her treatment. It was not discovered for two or three months, and the regular practitioner of the community attended the child and prescribed a treatment which was purely osteopathic, although applied by the parents of the child. The allopathics frequently use the methods of the other schools of medicine, and I think there is some virtue in it. I do not pretend to know to what extent we might support their claims; as far as I am concerned, I always, in my own family, employ the methods of the present predominating school, and have perfect confidence in them. However, I submit that we should not incorporate in this Bill anything having the appearance of discrediting other schools of medicine, and I think the Bill in its present form can be construed in that way.

Mr. NESBITT: What proportion of the Bill does my hon. friend read in that way?

Mr. STEVENS: In sub-clause (b) of section 2 I find these words: 'to encourage honourable practice.' Hon. gentlemen of this House who are practitioners will immediately say that honourable practice means practice under the allopathic school. If hon. members object to that construction, I would not insist. I am not making these suggestions to throw discredit on that school, but I feel that an ordinary person reading this Bill, and knowing what the medical association is composed of, would naturally take that construction from it. I would suggest that these words be changed to: 'to encourage the practice of the allopathic school and to make research.' I would cut off the other words: 'and assist in the suppression and prosecution of unauthorized practice.' I do not think it is the function of any particular school of medicine to undertake the suppression and prosecution of what is at the present time known as unauthorized practice. It may be that next year the provincial legislatures will change their legislation in regard to the osteopathic and homepathic schools, but we know very well that in the United States these three schools of medicine practice to a very large extent—much more so than they do in our country. As I say, it may be that the various legislatures will see fit to change the scope of the powers of these various schools. I do not think it is wise for this Parliament to give to any other school of medicine the right to suppress or assist in the suppression or prosecution of unauthorized practice, and if this was entirely left out of the Bill, one of the chief objections to it would be removed. In other words, we should limit the powers of the association to the protection of the scientific interests of the association. I would point out that if all the doctors belonged to this association and there was a case before the courts in respect of which one of the doctors was seriously involved. it would possibly be a difficult matter to secure corroborative evidence from other members of the association. On the other hand, this association might assist in bringing to justice any medical man who is guilty of malpractice. It seems to me that we are creating a power in this Act which is fraught with very great danger if the Bill is allowed to pass in its present form. I would repeat what I have already stated, and suggest that the school of medicine to which this proposed legislation refers be specified—the Canadian Medical Association as relating to the allopathic school—thus limiting, to a great extent, the powers of the Bill. I would also change sub-section (b) of clause 2 so that it would simply give the association power to encourage the scientific work of that body, and not give to it the power to suppress and prosecute other schools of medicine. I would not ask the promoter to hastily consider the advisability of incorporating these suggestions in the Bill, but I think they should be carefully considered, as a great deal of objection has come to me and other members with regard to this Bill.

Mr. CHABOT: As sub-section (b) of clause 2 seems to be a strong bone of contention, I would not be opposed to amending that section by omitting everything after the words 'to encourage honourable practice.' I think the suggestion made by the hon. member for Vancouver (Mr. Stevens), to insert a clause to the effect that nothing in the Bill shall apply to other schools of medicine, is a good one. and to this I have no objection. I certainly would not, however, wish to have the name of the asssociation, 'The Canadian Medical Protective Asssociation,' changed to 'The Canadian Allopathic Medical Protective Association.' I think this is not necessary, as the allopathic school is the predominating medical school of Canada.

Mr. HENDERSON: I scarcely understand the promoter of this Bill with reference to the amendment he proposes in the wording of clause 2. I do think, however, that he should eliminate from the Bill the reference to unauthorized practice.

Mr. CHABOT: I said I would do that. and suggested omitting everything after the word 'practice' in sub-section (b.)

Mr. HENDERSON: I do not say that the osteopathic is an illegal practice, but it is not an authorized practice. I do not know that it is authorized by law—I understand that it is not authorized at all: therefore under the provisions of this Bill, it would be one of the things which this association would engage in the suppression and prosecution of.

Mr. STEELE: I regret that some members of the House are suffering from mental delusions in connection with this Bill, which, I fear, allopaths, homœpathists, Christian Scientists, or any other school of medicine will fail to remove. I think they are endeavouring to interpret this Bill as containing that which is not embodied in it. No legislation can be brought before the House to which some exception cannot be taken, and in which some hon. gentlemen may not read something which does not exist. This Bill is asking for the incoropration of a number of men who, I am sure—some of them at least —stand in this country as among the foremost citizens of Canada. When the hon. member for Westmorland objects to the incorporation of eight hundred such men, he should not forget that almost every day in this country bodies composed only of dummies are being incorporated. If opposition were made to that practice, I think there would be reasonable foundation for it; but when any citizens giving their names come before this House and ask for incorporation as representing a body, I do not see that that objection can be taken.

What are the objects of this Bill? That is the chief thing. This association is at present existing and has existed for many years. Its first object, as expressed by this Bill, is:

To support, maintain and protect the honour, character and interest of its members.

Can any exception be taken to that? It may not strike the minds of laymen as it strikes the mind of a medical man how necessary it is to protect the honour, character and interest of its members; and I would emphasize honour and character. In these days when we have occasional actions brought against medical practitioners for purposes of blackmail, some such protection becomes very necessary, and such blackmail is becoming more common in this country all the time. The second object is:

To encourage honourable practice.

It may be unusual for the House to hear the members of any profession asking for incorporation in order to encourage honourable practice. Can anyone take exception to it?

Mr. HENDERSON: No.

Mr. STEELE (reading):

And assist in the suppression and prosecution of unauthorized practice.

Can anyone take exception to that as it is intended? If we attempt to read into it something that does not exist there, exception perhaps can be taken to it, but the legislatures of our Provinces decide what is authorized and what is unauthorized practice.

Mr. NESBITT: Do the legislatures prohibit homœopathic treatment?

Mr. STEELE: No; in fact, they recognize it. In the Ontario Medical Council for instance, there are a number of representatives of the homœopathic branch of the profession.

Mr. NESBITT: That would not apply against them?

Mr. STEELE: No, it is not intended to apply against anyone. There is no right given to this association which every citizen or medical practitioner does not posssess. Every member of the profession has the right to assist in the suppression or prosecution of unauthorized practice. In fact, it becomes a question if it is not the duty of any and every citizen to assist in suppressing anything and everything unauthorized in the medical profession or any other. Perhaps the word 'unauthorized' is unfortunate. If it had been

'illegal' the same objection could not have been taken, because we know that to-day even in the medical profession there are a great many men conducting illegal practice. Every now and then there are prosecutions of medical men for conducting illegal practice. Is it discreditable for men to ask to be incorporated for the purpose of suppressing illegal practice? The Bill gives these men power to assist in every way possible in the prosecution of the men carrying on illegal practices. 'Unauthorized' will include 'criminal' among the illegal and unauthorized practices. The object of the association in that respect is excellent and it probably does not dawn on the mind of the House as strongly as on the minds of the medical profession how necessary that is to-day. In fact we regret that we cannot go further than that and get back to the men who are perhaps originally responsible for some of the illegal practices which medical men are tempted to carry on.

To give advice and assistance to and defend and assist in the defence of members of the association in cases where proceedings of any kind are unjustly brought or threatened against them.

This right will not be denied any body of men coming to this House and asking that privilege, especially when the words 'unjustly brought' are inserted in the Bill. It would be a remarkable thing if this House denied the medical men of this country the right to protect one of their number against actions which are unjustly brought and these actions are not by any means scarce they would be very much more frequently brought by irresponsible men if they could see an opportunity of getting a few hundred dollars or a few thousand out of a medical man either in the way of settlement of a case rather than defend a lawsuit or by working on the sympathies of the jury in order to have damages awarded to them. It is a right which would be given to any body of men.

The Bill does not give the medical men any right whatever to educate the profession. If it did, many of the objections which have been made to it would be in line. It gives no right or power to have anything to do with the education of the medical profession or the licensing of medical practitioners.

If we called this a club, probably it would more nearly describe the conditions than any other wording. These men are practically asking for the incorporation of a medical association for social and business purposes which, if granted, will not in the slightest degree interfere with the rights or privileges of any other citizen of this country.

Mr. SUTHERLAND: The mover of the Bill made a statement, but even after that we do not understand the object of the Bill. We have heard from another member of the medical profession, and I believe that we have had some more light on the measure particularly regarding that part of section 2, clause 3:

To give advice and assistance to and defend and assist in the defence of members of the association in cases where proceeding of any kind are unjustly brought or threatened against them.

I do not suppose there is any body of men who stand higher than those who compose the medical profession, and I believe that the legislation that has been enacted in the various provinces has given the medical man a great deal of power. The Ontario Medical Act places in the hands of the college of physicians and surgeons of Ontario almost unlimited powers. The Government of that province have apparently had a good deal of confidence in the men who comprise the medical profession. But there are others who have to be considered as well as the members of the medical profession. The last remarks of the hon. member for South Perth (Mr. Steele) would leave one to believe that there was not the slightest danger of any one suffering at the hands of a medical practitioner. Unfortunately I suppose there is scarcely a member of this House who cannot recall instances where, through malpractice or carelessness on the part of a medical practitioner, someone has suffered, possibly during a lifetime, yet you propose by Act of Parliament to incorporate an association whose main object is to protect members of that association in cases where proceedings of any kind are unjustly brought or threatened against them. The hon. member emphasizes the word 'unjustly.' Who is going to be the judge as to whether a suit is unjustly brought against a medical man until after the trial and in the meantime the medical man will be defended by this association. That is one of the objects of incorporation. I think that that is a question that ought to receive very careful consideration at the hands of this House. I am not aware of what the by-laws of this association that we are asked to recognize under section 4 of the Bill contain. I think these by-laws ought to be placed in the hands of every member of the House before this Bill is passed by this committee. I certainly feel that clause (c) is even more objectionable than clause (b) of section 2 which empowers them to assist in the suppression and prosecution of unauthorized practice. If the schools of medicine referred to were not authorized in the province, possibly there would be some grounds for their not being recognized, but I cannot see that there is any reason why a medical association of any province is not competent to look after the interests of its members without an Act incorporating a body of men who are, you

might say, to protect themselves against prosecution, or it may be against malpractices, and who may have laid themselves open to actions for damages. If the individual realizes that instead of going up against a man whom he believes to be guilty, he has to go up against a strong corporation composed of medical men of the country, with a fund at their disposal to fight such cases, I think he will feel that an injustice is being done. I believe we ought to carefully consider that clause of the Bill, and that section 4, which includes the by-laws of this association should be before every member of this House before we pass the Bill.

Mr. KNOWLES: With regard to a Bill of this kind, I presume it is the right of individual members of this House to express their own private opinions, and I wish to give expression to mine. I think that what the medical profession needs is not greater privileges, but more strict regulations. I think that if some member of the medical profession or some group of members, would get together and use their brains and industry rather with a view to preventing imposition upon the public, who experience it at the hands of many dishonourable practitioners, they would be using their time and industry and brains to much better advantage.

An hon. MEMBER: That is what they are trying to do here.

Mr. KNOWLES: I think the tendency of this Bill is to give greater protection, to give the members of the medical profession the idea that there is a powerful institution behind them created by a special Act of Parliament. There is no member of this House who has not the utmost respect for an honourable practitioner, but I do not know of any field where there is more room for a dishonourable man than the medical practice. As the hon. gentleman who has taken his seat has said, there is scarcely a man who has not realized the great injury that can come to any member of the human race by the dishonourable or careless performance of his duties by a medical practitioner in respect to the patients who place themselves in his hands. We have seen many cases of it, and there are many present in this House who could illustrate it. We have seen so much of it, that one almost wonders if, after all, a great number of the medical profession are not fakes. There are a great many who are not fakes, and I certainly except the hon. member who introduced this Bill. I would place myself in his hands with every confidence. But I say that we have all been impressed with the fact that there is something too important in the human body and in the human constitution, to place in the hands of a man unworthy to deal with it. If we were not impressed with that fact, we would not be making these remarks this afternoon. I think something should be done to expose these men for the sake of the profession itself. We all know that a doctor is sometimes careless. He is in a hurry, and perhaps wants to get away to enjoy a game of poker, or something of that kind.

Some hon. MEMBERS: Oh, oh.

Mr. KNOWLES: Yes, some of them. My hon. friend will not deny that many a member of the medical profession is in a hurry and is careless in his diagnosis. He pretends to diagnose the disease, and he does not diagnose it at all. There is no doubt that that is done every day by doctors, and they befool and befuddle the patient who places himself in their hands. I am not talking about all members of the medical profession, but I say that for the good of the profession there should be greater safeguards for the people. You go to one doctor and he examines you, and tells you he has done something for you, when he is befooling you all the time. You go to another doctor, and he will not tell you that nothing has been done, but he will charge you extra for hiding what the other doctor did wrong. It would be a good thing if some person had brains and industry enough to protect the public against being the victims of that class of practitioners. I am not attacking the medical profession, not in the slightest; I merely wish to call attention to a danger to the public which exists, and I think it is up to the medical men themselves to try to remove that danger in their own interests, rather than use their brains and industry in creating a strong corporation that might stand behind many a man who does not deserve to have anybody stand behind him.

Mr. NICKLE: As the hon. member for Moosejaw (Mr. Knowles) has said, this question is one in which individual opinion must prevail, and without commenting satirically or nastily upon his remarks, perhaps I might say he has been singularly unfortunate in the class of medical men with whom he has been thrown in contact. My experience has been so totally different that possibly it is upon that experience that my views on this question are based. When this Bill first came into my hands, it struck me as being somewhat drastic, and I immediately wrote to a medical man in my town, whose name is well known, and would be well known to the country if I cared to give it, and asked him if he had a copy of the constitution and bylaws of the association, and also what was desired by the Bill. Without any hesitancy he sent me a little book which is termed:

The Canadian Medical Protective Association—Eleventh Annual Report. Edmonton, August, 1912.

From the contents of this work I learn that there are some 800 or 900 members of that association, and that this so-called club came into existence in 1901, pursuant to the report of the Committee on Medical Defence, presented at the thirty-fourth annual meeting of the Canadian Medical Association, held in Winnipeg in August, 1901. The hon. member for Oxford called attention to the fact that subsection (c) of section 2 of the Bill reads:

That the object of the Canadian Protective Association is—

To give advice and assistance to and defend and assist in the defence of members of the association in cases where proceedings of any kind are unjustly brought or threatened against them.

He raised the question as to who shall be the judge of whether or not these proceedings are unjust. One of the objects of the association as defined in the bylaws is:

To protect its members from prosecution where such action appears to our counsel and solicitor, as well as the committee in charge, to be unjust, harassing and frivolous.

That is the court that is to decide whether or not these proceedings are unjust, and that occurs to me as one of the merits of this Bill. Those of us who are practising in the legal profession know that the worse the medical man is, the more rigorously he fights the suit; the higher position a man occupies in the medical profession, the more readily he settles cases. He is supposed to be injured by litigation. The object of this association is to pass in review the actions of all medical men who are members of the association before a committee of their own, and whenever they find that a man has acted improperly, it seems to me that they will always be ready to advise him that he should make compensation.

Mr. SUTHERLAND: Why is that not set out in the Bill?

Mr. NICKLE: The Bill says that exactly, because it incorporates as one of the provisions of the Bill the by-laws of the association, and one of the by-laws of the association provides exactly for what I have stated. It is incorporated in the Bill by reference.

Mr. LANCASTER: That by-law might be rescinded the next day.

Mr. NICKLE: Any association can rescind any by-law.

Mr. MORPHY: Why not incorporate the by-laws in the Bill?

Mr. NICKLE: The by-laws might be set out in the Bill, but there would be the difficulty of alteration or amendment. I do not know whether the hon. member for Ottawa (Mr. Chabot) will accept it or not, but I have a suggestion which I think would get over the objection made to section 4, that we are adopting certain by-laws of which we know nothing and declaring that they shall have the force of law. It is objected that this House should not give countenance to by-laws which might not meet with its approval if they were known. I would suggest that section 4 be struck out and that the following be substituted:

The association, in general meeting, may, from time to time, pass rules and by-laws of the said association in so far as they are not contrary to law or to the provisions of this Act and may, in like manner, alter or amend the same.

If this section were adopted in place of section 4, then this Parliament would not be giving its sanction to the by-laws of the association. It would simply be incorporating an association with the general power of protecting its members where they are harassed and the only by-laws that would have legal force would be such by-laws as should hereafter be passed.

I understand that section 2, subsection (b) is to be amended by leaving out all the words after the word 'practice.' If that is not the case I would like to suggest that the word 'unauthorized' be changed to 'illegal.' As I understand the law of Ontario, at the present time, osteopathy is not an authorized practice. But it is not an illegal practice, and if the only authorized practices of medicine are homœopathy and allopathy this Act might be so twisted, if the word 'unauthorised' were left in, as to permit of the prosecution of osteopaths, or of those who do not adhere to those schools of medicine. The hon. member for Ottawa assures me that such was not the intention of the promoters of the Bill, and I would suggest that, if he does not intend to eliminate all the words after the word 'practice,' he change the word 'unauthorized' to 'illegal' which, I think, will meet the objection of my hon. friend from Halton.

Mr. HENDERSON: It will not meet my objection because unauthorized practice and illegal practice are two very different things. I do not think that the osteopath is practising illegally, but his practising is not authorized. I hope I have made my meaning plain.

Mr. NICKLE: Unauthorized practices might be prosecuted under this Bill as drawn. If a thing is illegal, or against the law of the province in which it is practised, this Bill would then only give, if amended as suggested, to this association, if it obtained incorporation, the right to prosecute. I feel sure that none of us want to give countenance to that which is improper or illegal.

Mr. KNOWLES: My hon. friend (Mr. Nickle) made reference to my remarks as if I had said that my experience had been with unworthy members of the medical profession. I did not say that at all. Every member of the medical profession with whom I had to do has been above suspicion.

Mr. EMMERSON: While there may be a great deal that is not objectionable in the by-laws, as they are set forth in this little pamphlet, I think the committee should know what it is doing. Take for instance paragraph 12:

It shall be the duty of the committee to follow a case through any and all courts until a correct judgment shall be obtained, if, in the opinion of counsel, such a course would be judicious. In no case will the association compromise.

Here is another:

Upon an action being brought for malpractice against a member of the protective association, it shall be competent for the defendant to communicate the facts to the secretary who shall convey the same to the committee, whereupon the said committee shall submit the case to the solicitor who shall decide upon the nature of the defence, if any defence is to to be made.

This Bill resolves itself into a Bill for the creation of a combine to defend and protect practitioners who may have made mistakes or otherwise.

Mr. EDWARDS: Where do you get that in the Bill? You do not get that in the Bill and you do not get it in what you have been reading from.

Mr. EMMERSON: I do not know whether my hon. friend is a medical practitioner or a dental practitioner.

Mr. SCHAFFNER: He is a medical practitioner and a good one.

Mr. EMMERSON: Then I appreciate the effect of the statement that I do not read it anywhere and cannot get it. Section 4 of the Bill incorporates this document into it and creates what is set forth here as a portion of the Bill. The very first by-law says that the object of this association is to protect its members from prosecution where such action appears to the counsel and solicitor, as well as to the committee in charge, to be unjust, harassing or frivolous.

Mr. EDWARDS: That is exactly the object of the Bill.

Mr. EMMERSON: It is all very well to make these qualifications. It is dependent upon the views of individuals. As to what the character of the action may be the committee and the solicitor will have their judgment coloured by the representations of the member. I have dealt with this matter from an impersonal standpoint. I am not assailing the medical profession, but I would not give to any body of men in Christendom the powers that are sought to be given here. Unless you restrain power it becomes tyranny and this would be used in a tyrannical way. Parties who had been injured, or who claimed to have been injured—although it might be that they had contributed to the injury themselves) might seek to put the blame upon the practitioner, but if it were realized that the practitioner had back of him an association of this kind, extending from one end of the Dominion to the other, there would be very few actions. The medical profession, in creating this body, are forming an insurance or guarantee company against all prosecutions. That may be all very well for them but how will it work out in individual cases? A party claims to be injured, the committee are led to believe by the representations of the practitioner himself that everything is all right, that the action should not have been brought and that he is being unfairly dealt with. The committee accept his recommendations and agree to defend the action. The agreement is that they shall follow it up through every court in Canada to the Supreme Court and then to the Privy Council. Where is the individual who can stand up against a combine of that character? It is a combine created by the Dominion Parliament and it is a combine to protect individuals in the different provinces as against provincial laws.

Mr. THOMPSON (Yukon): How does this conflict with any provincial legislation?

Mr. EMMERSON: This Bill is a Bill which should be brought before a provincial legislature.

Mr. THOMPSON (Yukon): Then it does not conflict with any existing provincial legislation?

Mr. EMMERSON: Not that I am aware of.

Mr. EDWARDS: Would it be proper legislation for a provincial legislature to pass?

Mr. EMMERSON: Yes, within the province itself. But I say it is wrong for this Parliament to create a body of this kind, when the character of the protection sought is as against provincial law in a matter of civil rights. You are here creating a great combine under the authority of the Dominion Parliament. I do not go so far as to say it is ultra vires of this Parliament to do that, yet I am inclined to the belief that we are usurping the rights of the provincial legislatures in attempting to legislate in that matter. I am not dealing with the constitutional aspect now, but I am thinking at this moment of the legislation as a

matter of right and justice as between the medical profession and the individual patient. I have nothing whatever against the medical profession and I am treating the Bill altogether from an impartial standpoint. If this were an application on behalf of the legal profession, I would consider it even more damnable than it is with respect to the medical profession.

Mr. LANCASTER: You do not think it should be declared a work for the general advantage of Canada?

Mr. EMMERSON: I think it should be declared a work to the great disadvantage of the people of Canada. The amendment suggested by my hon. friend from Kingston is an excellent one and I shall support it. I would like at this stage to move the six months' hoist, but I will content myself with moving that the committee rise.

Mr. CHABOT: I am quite prepared to carry into effect some of the pertinent and valuable opinions expressed with regard to this Bill, but I would like to have the matter considered and decided now.

Motion that the committee rise negatived.

Mr. EDWARDS: I was very much interested in some of the remarks made with regard to this Bill, and, without wishing to be discourteous, I may say that I have been somewhat amused at some of the ideas which hon. gentlemen opposing this Bill have given expression to, and particularly so at the attitude assumed by the hon. members for Moosejaw and Westmorland with respect to it. After arguing most strenuously that this was a very improper Bill to put through this Parliament, and working himself into paroxysms declaring that it gave the medical profession an unjust power over individual citizens throughout Canada, the hon. member for Westmorland said it was perfectly proper legislation if any one of the provinces should pass it. He told us that while it was very improper to pass it from our standpoint, it would be quite proper for any provincial legislature to pass this kind of a Bill.

Mr. EMMERSON: I know my hon. friend (Mr. Edwards) does not wish to misrepresent me. What I said was that it was proper legislation to go before a provincial Parliament and to be considered there, but that did not express my view as assenting to the character of the legislation or its desirability.

Mr. EDWARDS: I asked my hon. friend if he thought it would be proper legislation for a provincial legislature to pass, and he said it would.

Mr. EMMERSON: I meant as to the power of the legislature but I did not refer in that answer to the merits of the legislation.

Mr. EDWARDS: My hon. friend will agree that there are two constructions which might be placed upon the word 'proper' and I evidently took the meaning which my hon. friend did not wish it to have. I accept his explanation. Then, I understand the hon. member to say that he would consider this very improper legislation, having regard to its terms, not only for this House but for any provincial legislature, to pass. I call the attention of these hon. members who have been opposing the Bill to the objects of the association which, amongst others, are to assist in the suppression and prosecution of unauthorized practice, and to give advice and assistance and to defend the members of the association where proceedings of any kind are unjustly brought or threatened against them. Now, I do not think anyone would argue that it is advisable to have unauthorized practice going on in the country, nor do I think anyone should contend that there can be anything wrong in a body of men joining together for mutual protection when proceedings are brought against them unjustly; bear in mind that word unjustly. What do we find? According to what was read by the hon. member for Westmorland, an association is formed. The rules and regulations contained in that little book are incorporated along with this Act. A medical man finds himself face to face some day with an action for damages. He considers that that action is entirely unjust and unwarranted; but he is not financially in a position to fight the case himself. He appeals therefore to the medical association of which he is a member. Does the medical association meet and say: Here is one of our members who is in difficulties and we are pledged to stand by him? The members of that association are not pledged to stand by him. That is precisely where hon. gentlemen are reading into this Bill something that is not there. The association has a committee which is composed of medical men, who have a reputation at stake, and who are not going to throw away their hard earned reputation in backing up a man who cannot be backed up justly and fairly. The public are perfectly safe with the medical profession. It is not left to any one person whether or not the doctor should be defended by the association. A number of reputable medical men, forming a committee, meet and consider the matter from the medical standpoint as to whether this particular doctor is justified in appealing to them for their assistance and help. To assume that the medical association would back up one of their number and help him to carry his case from one court to another in an action which he is not justified in bringing, would be to charge the members of that committee with something with which they should not be charged. We have

a right to assume that if this association is incorporated, the members would place on that committee, not humble or inferior members of the profession, but men who have made their mark, men who have a reputation. That class of men would be selected to form the committee.

Mr. KNOWLES: How does the hon. member know that that class of men will join the association?

Mr. EDWARDS: I will tell my hon. friend from Moosejaw. I was discussing the medical profession and not the legal profession. I have no doubt that numbers of them will join. I might have had some doubts, after what I heard this afternoon, if it was the other profession I think that the objects of this Bill are worthy objects. Some objection might perhaps be found with sub-section (b) of clause 2. The suggestion of the hon. member for Kingston is a good one. The word 'illegal' substituted for the word 'unauthorized' in that sub-section covers that and takes away any objection which might fairly be raised to that clause. The sub-section then would read:

To encourage honourable practice and assist in the suppression and prosecution of illegal practice.

Surely no person could object to that.

Mr. HENDERSON: The amendment proposed by the hon. member for Kingston would read thus:

To encourage honourable practice.

Then strike out all the words to the end of the clause.

Mr. BELAND: No.

Mr. EDWARDS: I understood that the promoter of the Bill, my hon. friend from Ottawa (Mr. Chabot), agreed to strike out all the words after the first word 'practice.'

Mr. HENDERSON: Yes.

Mr. EDWARDS: I understood the suggestion of the hon. member for Kingston (Mr. Nickle), was to substitute the word 'illegal' for the word 'unauthorized.'

Mr. HENDERSON: No.

Mr. NICKLE: The written amendment which I read was the substitution of a new clause for the existing one. The suggestion I made was that, if the promoter of the Bill was not prepared to adopt the suggestion that all the words after the word 'practice' be eliminated, the word 'unauthorized' be changed to 'illegal.' I understood the member for Ottawa to say that he was not prepared to eliminate all the words after the word 'practice.'

Mr. EMMERSON: He expressed his willingness to do so to the House.

Mr. EDWARDS.

Mr. EDWARDS: The correct interpretation of what the hon. member for Kingston said was this, that he would prefer to cut out all the words after the first word 'practice'; but not getting that, then he would substitute the word 'illegal' in place of the word 'unathorized.' He did not consider it to be as good as cutting out all the words after 'practice,' but he considered it better than the clause as it is?

Mr. NICKLE: Yes.

Mr. EDWARDS: With all due deference to the promoter of the Bill and the hon. member for Kingston, I think subsection (b) would be much better, much stronger, and much more in the interests of the general public by substituting the word 'illegal' in place of the word 'unauthorized,' than by cutting out all the words after the word 'practice.' If this Bill goes through, the people who will be protected will not be men of the medical profession, alone, but will be the general public, because the Bill protects the general public very strongly indeed. It is certainly in the interest of the general public that there shall not be illegal practice in the country. It is in the interest of the general public to have a strong association formed, which, having regard for its reputation, will try to prevent and suppress all kinds of illegal practice. My hon. friend from Vancouver (Mr. Stevens), has suggested the introduction of the word 'allopathic'—the Canadian Allopathic Medical Protective Association. I think that would prove a weakening, in this way. In putting that word in, he was assuming that no person could be a member of the Canadian Medical Protective Association unless he belonged to the allopathic school of medicine. His assumption is entirely wrong, as has been pointed out by my hon. friend from South Perth (Mr. Steele). The introduction of that word in the title would not obtain for him the end he desires.

Mr. STEVENS: Are members of any other schools of medicine members of the association?

Mr. CURRIE: Not that I am aware of.

Mr. KNOWLES: I have already spoken with regard to my general attitude concerning this Bill, but I wish to make a few additional observations with regard to particular features of it. I have no doubt that the professional men have no desire to put through a Bill which is anything in the nature of a conspiracy, but I do believe they have not given due thought to one or two points connected with it, and it is of these that I desire to speak for a moment. I think we should know exactly what we are doing before we put through a measure of this kind. It has been asserted that this legislation would tend to prevent blackmail.

Blackmailing is decidedly objectionable, and if the Bill prevent this, I would support it. But would it prevent blackmail? If an organization of this kind is going to finance a man against whom I have an action, will this Bill prevent me? If I have to sue him and take the case before the courts, will the existence of this legislation be of any benefit to him? The man who is afraid of blackmail is not the man who wants to get his case financed, but is the man who is so sensitive of his high standing that he does not desire to have it contended in the courts that he has been guilty of malpractice.

Mr. LANCASTER: He does not want a trial at all.

Mr. KNOWLES: Exactly; he does not want a trial at all, and we will never stop blackmailing by placing this legislation behind the decent, honourable practitioner. If we did try to stop blackmailing in that way, how would it work out? This legislation covers the whole of Canada, and there would be one committee, located at the head office, whose duty would be to see whether or not a legal claim should be fought. Is it reasonable that we should pass legislation of this kind? Is a body of men grouped around the city of Ottawa competent to pass upon the merits or demerits of a proposed litigation in British Columbia or Prince Edward Island? I say it is not. These men, holding council at Ottawa, will not know the laws or the rulings of our courts, and the courts of the other provinces. If legislation of this kind were at all justifiable, I say in all seriousness that it would be justifiable only, as the hon. member for Westmorland (Mr. Emmerson) has said, in the respective legislative assemblies, where the matter could be dealt with on its merits. It is establishing a dangerous precedent to say that a certain body of men can group themselves together, and if I am a poor man, and have a claim against one of them, the members, and it has become a burden to me to finance the lawsuit in the first court, if he can succeed in getting his fellow members to sympathize with him to such an extent as to finance his defence, I am placed at a disadvantage, particularly if the case goes up to the Privy Council, as would likely be the case, I say that is wrong. Doctor or no doctor, physician or no physician, hon. gentlemen should agree that it is wrong that we should make such legislation as will provide for the existence of a group of men who, because one of their members happens to have their support, will oblige me to fight that great wealthy corporation. I submit it is a principal which is entirely wrong. Then, again, one other objectionable feature is that which exists in the advantage one practitioner obtains over another. Two doctors live in a city, and one, who has seen his way clear to join the association, is enabled to enjoy its protection, while the other may hold such principles as will prevent him from joining. Is it fair that such an advantage should thus be given? If I am a medical practitioner and my brother practitioner across the way joins the association, is it fair that he should have that advantage over me? I say that if they are given power to protect their members, they should have the same power to protect all respectable practitioners. On the whole, I am against the principle of the Bill, and am opposed to the main feature of it.

Mr. THOMPSON (Yukon): The by-laws of the association provide for those conditions which the hon. gentleman has pointed out. The central committee will not be in Ottawa. There are provincial executives as well as the central committee, and these provincial executives will represent the various provinces of Canada, and be in a position to advise the central committee. I desire to resent the imputation my hon. friend made as against the medical profession of Canada in his remarks this afternoon. I venture to say that the medical profession of Canada stands as high as any other profession in this country. It has done its share in the development of the country, especially in caring for the health of the people and establishing the hygenic conditions existing, I am sorry to say, not in the capital of our country, but throughout many of the cities of Canada. When my hon. friend arises in his place and imputes improper motives to the members—

Mr. KNOWLES: I rise to a point of order. I did not impute any improper motives. I spoke highly of the medical profession, the members of which do not need any defense from the hon. member.

Mr. THOMPSON: They certainly do not ask any defense from the hon. gentleman himself.

Mr. KNOWLES: I myself said that first.

At six o'clock Committee took recess.

After Recess.

Committee resumed at eight o'clock.

Mr. CHABOT: Although the dangers that have been pointed out in connection with this Bill seem rather far-fetched, I am willing, in order to expedite matters, to accept the proposed amendments to some of its provisions. I would suggest the following amendments: In sub-section (b) of section 2 to eliminate all the words after

the word 'practice' in the first line; and to strike out section 4, and substitute:

The association in general meeting may from time to time pass rules and by-laws of the said association in so far as they are not contrary to law or to the provisions of this Act and may in like manner alter or amend the same.

Mr. BARKER: I agree in what has been said as to the very unhappy expression of the object of this Bill. Section 2 goes into matters that should not be entrusted by Act of Parliament to any body of gentlemen. To sub-section (a) of section 2 there can be no objection, but sub-section (b) as it stands in the Bill is very badly expressed. I understand that the promoter is willing to strike out the latter part of the clause dealing with suppression and prosecution of unauthorized practice. The section as it stands is constituting the medical profession detectives or special police or inspectors to prosecute. Surely, when we pass the law it is not necessary for us to provide the machinery for the prosecution of offenders and I think it is rather beneath the dignity of the medical profession that they should thus seek to act in the capacity of informers or prosecutors. The whole object of the society would be embraced by the wording:

To encourage honourable practice of the medical profession.

Mr. CHABOT: I have no objection to the suggested amendment.

Mr. BARKER: I do not think there should be any objection to sub-clause (c) of section 2, which deals with assistance in the defence of members of the association against unjust legal proceedings. Subclause (d) is highly objectionable. It reads:

To promote and support legislative measures likely to benefit the medical profession.

The medical members of the House probably do not quite grasp how that clause appears to those who are not of that profession. If we were to substitute 'legal profession' for 'medical profession' would one of these gentlemen support it? I think not, everyone would say it was highly objectionable. All that is necessary in that section would be to say:

To promote and support all measures likely to improve the medical profession.

I object to the word 'benefit.' We are not passing laws here to benefit the medical profession; if they want to improve the medical profession well and good. Section 4 is highly objectionable, and I am glad the hon. gentleman has agreed to amend it. I have a copy of the by-laws; the little book includes annual reports, resolutions, &c., and members could read it through several times and not know what the rules are. Then, perhaps ten years hence, if this Act were the subject of litigation it would be necessary to have proof of what the by-laws are at this time. The ordinary course is the simple and plain one of giving the new corporation power to make rules and by-laws according to their Act of Parliament and within the law of the land. If we do that there cannot be any trouble because they are adopted and sealed and that is the end of it. The hon. gentleman has adopted a clause that my hon. friend from Kingston (Mr. Nickle) has given to him. So far as I am concerned, I believe that to be an ordinary clause about by-laws.

Mr. EMMERSON: Clause 6 contains that provision now, and no amendment to clause 4 is required.

Mr. BARKER: I take clause 4 in preference to the other. If the same provision is in clause 6, we need not pass it again; we can strike it out in clause 6 when we come to it. It does not seem to me that if you make these alterations there is anything for us to discuss.

Mr. SUTHERLAND: There appears to be some doubt in the minds of some members of the committee as to what the real object of this Bill is. Reading it over, one wonders, that it was necessary to have legislation of this kind to support and maintain the honour, character and interest of the members of this association. I think that sub-section (a) of clause 2 casts a reflection on the members of that association. Then sub-section (b) is:

To encourage honourable practice and assist in the suppression and prosecution of unauthorized practice.

Surely nothing is required to encourage the medical profession along these lines. Speaking in connection with this section before six o'clock, I referred to section 4 of the Bill and was told, I think by the member for Kingston, that the by-laws of the association referred to in this clause, did not conflict, or did not bear out the interpretation that I placed upon sub-section (c) which I contended was the primary object of the Bill. I have had a copy of these by-laws, placed in my hands, and I wish to call the attention of the committee for a moment to certain clauses of them. In section 1 we find this:

We believe it to be in the interest of the medical profession of Canada that an association should be formed by this body for the protection of such members of the medical profession as may become members of this association, and who may be unjustly prosecuted for malpractice. The object of this association is to protect its members from prosecution where such action appears to our counsel and solicitor, as well as the committee in charge, to be unjust, harassing or frivolous.

That looks all very well and very fair if it was carried out as it appears in the by-law. But further on I find under section 9:

It shall be the duty of any member of this association, pending the defence of any action by this body, to aid the defence in every legitimate manner.

This is practically a close corporation in which every member is subject by this by-law, to come to the defence of his brother practitioner, whether he is justly or unjustly accused. Then in sub-section 11:

Upon an action being brought for malpractice against any member of this protective association, it shall be competent for the defendant to communicate the facts to the secretary, who shall thereupon convey the same to the committee, whereupon such committee shall submit the case to the solicitor who shall decide upon the nature of the defence, if any defence is to be made.

12. It shall be the duty of the committee to follow the case through any and all courts until a correct judgment shall be obtained if, in the opinion of counsel, such a course would be judicious.

Note these words in clause 11:

It shall be competent for the defendant to communicate the facts to the secretary, who shall thereupon convey the same to the committee.

The defendant states his case to the committee and to the solicitor. The aggrieved party is not there, and you can naturally suppose that the party being prosecuted will present his case in as favourable a light as possible; and once an action is entered upon, they are pledged to carry it from court to court, and to see that the party accused is freed. Then later on, I find in the president's annual report—I do not know whether it is part of the by-laws or not, the hon. member for Kingston who is a good lawyer, is unable to define what is really the by-law and what is not—but here is part of the president's address. He says:

We have emerged successfully through the courts and have won all down the line. Our most recent victory was in the case of our most esteemed and estimable president of the Canadian Medical Association, who was most unjustly attacked in law, but who came off victorious and with flying colours, as have all others who have been members of the Canadian Medical Protective Association. That our association has achieved its purpose——

Mark the words:

That our association has achieved its purpose goes without saying, and we have struck terror into the evil-minded who have sought to besmirch and even blackmail members of our noble profession.

Surely there is something to be said on behalf of the people who do not belong to this association. If a person finds that he has a grievance, that he has been subject to malpractice, he would hardly dare to go up against a corporation of that kind. I think it is the most unjust, unfair legislation that was ever asked for in any parliament.

Mr. BARKER: I understood that the hon. gentleman in charge of the Bill had abandoned that.

Mr. HENDERSON: Is that so?

Mr. SUTHERLAND: I did not so understand the mover of the Bill.

Mr. CHABOT: I agreed to strike out clause 4 and to substitute that other clause.

Mr. BARKER: That would enable the by-laws to be made hereafter.

Mr. CHABOT: Certainly.

Mr. SUTHERLAND: I think the president of the association has made clear what the objects of the Bill really are, and I do not think that the parties who are asking for incorporation here have been fair to the members of this House in attempting to disguise their real objects. They did not have the fairness to put them in the Bill, but sought to incorporate by-laws that have not been placed in the hands of the members of this House; and now that it is suggested to them, they are willing to withdraw them and to substitute something else. But they have not agreed to withdraw what is the most objectionable feature, to my mind, of the whole Bill, that is sub-section (c) of clause 2:

To give advice and assistance to and defend and assist in the defence of members of the association in cases where proceedings of any kind are unjustly brought or threatened against them.

It says unjustly brought or threatened against them, but who is going to determine whether it is unjust or not? It can only be done through the process mentioned in these by-laws which are in effect to-day. Why does this association ask for incorporation at all? They have been in existence for ten years. What do they expect to gain from it? I contend we should not put such power in the hands of any body of men. I think that the medical association is quite competent to take care of itself. I think that the different provinces have been very generous to them in placing in their hands through the various legislatures, almost every power that could be desired. I know that exception is taken in some of the provinces on the ground that too much power has been given to them. But for them to come here and ask this Parliament to allow them to form an association to defend themselves against any action that may be brought against them, is, I think, unfair, and it is a power that should not be granted by this House.

Mr. EMMERSON: I would like to ask those who are promoting this Bill to point out to the committee anything in the Bill that justifies this Parliament in dealing with it at all. I call the attention of the committee and of those hon. gentlemen to the 92nd section of the British North America Act:

In each province the legislature may exclusively make laws in relation to matters coming within the classes of subjects next hereinafter enumerated.

Coming down to section 13, it says: 'Properties and civil rights in the province' and, 16, 'generally all matters of a merely local or private nature in the province.' I would like to have pointed out to me wherein this Bill seeks for powers which are not exclusively within the jurisdiction of the provincial legislatures under the 92nd section of this Act. I cannot see what power this Parliament has to deal with the matter. What are the objects of this association?

(a) To support, maintain and protect the honour, character and interest of its members.

That comes within provincial rights.

(b) To encourage honourable practice——

taking it as amended. That is within civil rights because the manner in which the profession operates is under the jurisdiction of the province and its associations are created by provincial laws. Then come to this power, to which exception was taken by the hon. gentleman who has just taken his seat:

(c) To give advice and assistance to, and defend and assist in the defence of members of the association in cases where proceedings of any kind are unjustly brought or threatened against them.
(d) To promote and support legislative measures likely to benefit the medical profession.

This Parliament has no right to deal with such matters and it is an encroachment upon the powers of the provincial legislatures to make this enactment. I do not see why they cannot go to their own provinces to seek legislation of this character. The provinces have exclusive powers to grant privileges of this nature. This is a constitutional question and I would ask the promoters of the Bill that they shall designate, within the borders of this Bill, any power that is sought, or any authority that they wish to have, that is not exclusively within the jurisdiction of the legislative assemblies of the Dominion to grant and which as a body we have no right to grant.

Mr. THOMPSON: I would like to point out to my hon. friend from Westmorland (Mr. Emmerson) that everything he has said as to the constitutional aspect of the question could have been said with equal force and effect with regard to the Dominion Medical Act which was passed by the Parliament of Canada two years ago. My hon. friend from Hamilton (Mr. Barker) tells me that a similiar Act was passed by this Parliament to govern civil engineers. If that is so why does my hon. friend raise a constitutional question with regard to this particular Bill?

Mr. EMMERSON: I do not remember the Civil Engineers Bill, but I know that the Roddick Bill had exception taken to it.

Mr. MACDONELL: It went through all right.

Mr. EMMERSON: Perhaps it did, but that does not cure it.

Mr. THOMPSON: It does not cure it but it creates a precedent.

Mr. LEMIEUX: I think that in the Roddick Bill there was a clause by which the Bill came into operation only after the legislatures had adopted it. It went into operation in some of the provinces, but I think it was only last year that the legislature of Quebec adopted it. It was subject to supplementary legislation by the various legislatures.

Mr. THOMPSON: That is true, there was an enabling clause but the principle of the Bill was adopted by this Parliament.

Mr. LEMIEUX: But it was a dead letter until the legislatures adopted it.

Mr. THOMPSON: Then it was adopted as a matter of form.

Mr. LEMIEUX: No, the medical association which fathered that Bill had to put some water in their wine because otherwise, I know, the legislators at Quebec would not have adopted it.

Mr. KNOWLES: Perhaps the hon. gentleman who promotes this Bill will agree to this compromise, that the Bill should become operative in such provinces as approved of it through their respective legislatures.

Mr. CHABOT: I would like to reply to the observations of the hon. member for Rouville (Mr. Lemieux). Medical education and medical practice are regulated by provincial Acts. But this Bill refers altogether to the conduct of medical gentlemen in Canada, and that is determined to a large extent by the code of medical ethics which is formulated and carried into effect irrespective of any medical Act in any of the different provinces.

Mr. LEMIEUX: I quite see the difference as enunciated by my hon. friend, but I think that the question of honour and conduct is a question concerning civil rights. The code of ethics in the legal pro-

fession is regulated by provincial legislation. A barrister who was lax in his practice and who infringed the code of honour would lose his license, but that is a provincial matter entirely.

Mr. EDWARDS: Who would take his license from him?

Mr. LEMIEUX: The Bar Association.

Mr. EDWARDS: Then his case would be considered by his fellow lawyers?

Mr. LEMIEUX: Yes, by the Bar Association of the province.

Mr. EDWARDS: That is what would occur here.

Mr. CHABOT: Just what I contended.

Mr. SMITH (South Ontario): I came in a little late and did not hear a great deal of the discussion, but I am opposed personally to any class legislation of this kind. I think the whole Bill is objectionable and absolutely unnecessary. I therefore move that the committee rise.

Mr. LEMIEUX: May I ask the hon. member for Ottawa a question? Suppose a man should not practice in conformity with the code of ethics of the profession, would he come under the provisions of this Bill, and would he be deprived of his right to practice by virtue of this legislation?

Mr. CHABOT: Speaking for the province of Ontario, I may say that his conduct would be referred to the College of Physicians and Surgeons of Ontario, and they would determine what ought to be done in a matter of that kind.

Motion that the Committee rise negatived: yeas, 26; nays, 34.

Mr. EMMERSON: I call attention to the rule of the House, which says that no member is allowed to vote on any question in which he has a direct interest. I suppose the doctors who are members of this House are members of this association, and they certainly may have a direct interest.

Mr. BELAND: There ought to be a rule of the House excluding jokes.

Mr. LEMIEUX: I ask the Minister of Justice is it within the power of this Parliament to pass this Bill?

Mr. EMMERSON: I submit to the Minister of Justice that under sub-section 16 of section 92 of the British North America Act this Bill, as affecting civil rights and matters of a purely local and private nature within the province, is within the jurisdiction of the provincial legislature.

Mr. DOHERTY: I confess I have not given this Bill that careful consideration which might be desirable before pronouncing an absolute opinion. I cannot see the force of the contention of the hon. gentleman that this is purely a local and private matter within the province. The power of incorporation generally rests with the Parliament of Canada save in exceptional cases where the objects of an association are purely provincial in their nature.

Mr. EMMERSON: Could anything be more so than this?

Mr. DOHERTY: Whether the objects of this association are provincial or general in their nature, depend upon where the purpose of this particular association is to be carried on whether its operations are to be general throughout the Dominion or in more than one province. If it appear that the purposes of this association were to be attained within the limits of a particular province, then obviously it would be a different matter, but so long as it appears on the face of the Bill that the purposes of the association are to be carried on throughout the Dominion, I would be disposed to hold that the legislation was within the constitutional power of this parliament.

Mr. EMMERSON: I move that section 2 be amended by striking out sub-section (c) which reads:

To give advice and assistance to, and defend and assist in the defence of members of the association in cases where proceedings of any kind are unjustly brought or threatened against them.

My contention is that if Parliament passes this clause it is creating a combine for defence purposes in the interests of individuals. This is a huge combine for the protection of members of the medical profession in the several provinces as against the rights and interests of the individual patients.

Motion of Mr. Emmerson negatived: yeas 25; nays 42.

Mr. KNOWLES: In my opinion this Bill is drawn up very carelessly, and should be allowed to stand for a day or two, so that it may be amended. No definition is given here as to what will qualify a man for membership in this association. The only place where any reference is made to the medical profession is in the name, The Canadian Medical Protective Association. Sub-section (d) of clause 2 reads as follows:

To promote and support legislative measures likely to benefit the medical profession.

That sub-section has been struck out; so that there is nothing but the name to connect the Bill in the slightest way with the medical profession. We are giving large powers to certain people, whom we simply

describe as being members at present or to become members of a certain association. I think a definition should be given here as to what will qualify a man for membership in this association. I submit that there should at least be an interpreting clause in this Bill.

Mr. CHABOT: Any duly qualified physician in Canada may become a member of this association.

Mr. KNOWLES: The Bill does not say so.

Mr. REID (Grenville): A Bill was passed in 1908 to incorporate the Architectural Institute of Canada. It is a Bill similar to this one. Clause 3 reads:

The objects of the institute shall be to facilitate the acquirement and interchange of professional knowledge among its members, and more particularly to promote the acquisition of that species of knowledge which has special reference to the profession of architecture, and further to encourage investigation in connection with all branches and departments of knowledge connected with that profession.

Clause 5 reads:

The institute may make regulations and by-laws for its direction and management, and also such rules as are deemed necessary for the maintenance of the honour and dignity of the members of the institute.

2. The institute may, by by-law, make regulations governing the admission of candidates for membership in the institute.

Mr. DOHERTY: In reply to the hon. member for Moosejaw, in Acts of incorporation it is customary to insert as the persons incorporated the names of the men applying for incorporation and such other persons as may under its by-laws, rules and regulations subsequently become members of the assiciation. That seems to me to be quite clearly done in this Bill The particular persons incorporated are the persons named, the members of the particular association which is mentioned and such other persons as may hereafter become members of the association. There is a provision giving powers to this association to make by-laws which shall determine the qualifications of persons who are to become members. That seems to me to be a very usual and very intelligible clause. This House may consider whether it will or will not give to this association the power of determining who shall be eligible for membership. I do not see anything in this Bill that would give a man the right to practice the profession of medicine, or that would give him any status, other than that of a member of the association.

Mr. LEMIEUX: In this Act, to incorporate the Architectural Institute of Canada, section 9 reads as follows:

Nothing in this Act shall be deemed to encroach upon the rights and privileges conferred upon any association of architects having a charter or which may hereafter have a charter from the legislature of any province of Canada.

Is there a similar section in this Bill?

Mr. REID, (Grenville: I merely mentioned that Act to show that an Act similar to this one had beet passed by Parliament, that it has been done before.

Mr. EMMERSON: That does not make it right.

Mr. GRAHAM: The distinction between the two Bills is this, that all architects are architects, but all doctors are not doctors. That depends on what authority they are qualified under. This Bill is establishing a body which may work an injustice to some other body that has recognition in the provinces but that will not have recognition in this association.

Mr. STEELE: This measure, as has been already pointed out, has nothing to do with the education or licensing of medical men. It provides simply for the incorporation of a number of medical men for the purposes enumerated in it. There is nothing in it which says that any class shall be excluded from membership or shall be attacked by the members. If a number of medical men wish to unite for similar purposes, and wish to have incorporation, I do not see why they should be denied that privilege, when almost every other class of citizens could secure it. Mention has been made of the Roddick Bill; but that was for an entirely different purpose. It was for the licensing of medical men, a matter entirely out of the jurisdiction of this Parliament and entirely within the jurisdiction of the provincial legislatures. That Bill also provided for the examination of medical men, a matter with which this Parliament could not deal, but with which the provincial legislatures had the right to deal. It seems to me that if it be within the jurisdiction of this Parliament to pass an Act such as this—and the Minister of Justice has given us his opinion that it is, and the passage of previous Bills certainly supports that opinion—then, why should this Bill be objected to? The promoter of the Bill has agreed to strike out the clauses which were criticised this afternoon, to meet the objections raised. Why, therefore, continue discussion on the Bill ? The whole matter is of so little importance that it is not worth the time this House spent on it this afternoon. It makes very little difference to the Canadian Medical Protective Association whether it is incorporated or not, and it makes little difference to the public. I believe that the public receives pro-

tection from this Bill, and if the medical men in this House were free to tell all they have experienced in the practice of their profession with regard to the objects of this Bill, we could enlighten hon. gentlemen as to the need of some such legislation as this for the protection of the public.

Mr. KNOWLES : I do not think the members of this committee will accept my hon. friend's statement that this Bill is proposed for the good of the public. Evidently the hon. gentleman himself thinks so, and I do not question his desire to state what he thinks to be correct. I do not think that an association of this kind comes here to benefit the public; they desire to benefit themselves. The Minister of Justice says he likens this Bill to what we would call a business or a commercial Bill, but I would point out that men are admitted into an ordinary company incorporated by this Parliament because they buy and pay for their stock, but men who are admitted to membership in this association do not come in under similar conditions, and I think the Bill should not be considered as being of the class suggested by the Minister of Justice. No money will be paid in, except, perhaps, a membership fee, and I think it is unreasonable that the members should be allowed to run the corporation in such manner as they see fit. They may allow anybody to become a member; they may have male or female nurses, and may make such regulations in this respect as they choose. I am not saying anything about that particular phase of the matter, but we should know to whom we are giving this authority. With regard to the statement of the hon. member for South Perth (Mr. Steele) affirming the indifference of the medical people as to whether the Bill passes or not, I would suggest that if this is all they care about it, that the Bill be withdrawn. We are not in the habit of granting legislation to people who do not want it, and, besides, we have more important matters to deal with—the naval Bill, for instance. If the members of the profession do not care whether or not they obtain this legislation, and my hon. friend says they care very little—we should not be anxious to devote any additional time to its discussion. With reference to the qualifications for membership in this association, is every qualified practitioner entitled to become a member, provided be pays the necessary fee, and does the matter of his proposed membership require to be voted upon?

Mr. CHABOT : Any duly qualified physician or surgeon in Canada can become a member of this association.

Mr. KNOWLES: We should have such knowledge of the by-laws and procedure of this corporation as will assure us that we are not giving this power to a closed corporation, which, if it has a grudge, or some other reason for doing so, could keep out of its ranks part of the profession. If I am a duly qualified practitioner in the province of Saskatchewan, have I the right to come to the doors of this association, with my fee of $1 or $10, as the case may be, and demand admittance?

Mr. SCHAFFNER : Yes.

Mr. KNOWLES: I have not seen that in the by-laws.

Mr. NICKLE: It is in by-law No. 7.

Mr. KNOWLES: I think this should be in the Bill, because the people who are being incorporated in this legislation could change their regulations to-morrow. We are not dealing with the by-laws—I for one do not know what they are—and, if it is desired to protect the public, we should put this in the Bill and not leave it entirely to a by-law which is controlled by the corporation.

Mr. BUREAU: The association has the right to pass by-laws and determine qualifications of persons who are desirous of joining it. By this Bill we incorporate an unincorporated association already existing under the same name. What control is obtained over the association as to its by-laws? In the Private Bills Committee we had demands for incorporation in connection with the accountants, and their by-laws are approved by the lieutenant governor. In this case, the members of the Association file a copy of the by-laws with the Secretary of State, and publish them in the Canada Gazette. If a man has a grievance, where does he go if he desires to find out where to obtain his rights? If the by-law was made subject to the approval of the Governor General in Council, and a man had a grievance with respect to the matter, there would be a tribunal through which he could obtain a settlement of his grievance.

Mr. SUTHERLAND: I desire to move an amendment to subsection (c) of this clause. As I have said, that is the clause which, according to their by-laws, the association is more anxious to preserve intact than any other. According to the by-law I quoted some time ago, the case is so one-sided that I do not think the words 'unjustly brought or threatened against them,' bear the interpretation that they should convey to one reading the Bill. I would therefore move:

That clause (c) of Bill 89 be amended by striking out all the words after 'give' in the first line, and substituting therefor the following: 'assistance to members of the association who have been unjustly prosecuted for malpractice or otherwise after such case has been dealt with by the courts and the said party exonerated.'

Mr. BUREAU : Is it the purpose of this amendment to provide that if a man is prosecuted for malpractice, and loses his case, he shall be entitled to compensation?

Mr. SUTHERLAND: After he has been exonerated by the courts.

Mr. BUREAU: What are you going to do with him? Do you give him some compensation? If he is exonerated by the courts, he goes scot free. I do not understand the meaning of the amendment, and I would like to know exactly what it means.

Amendment negatived.

On sub-section (d):

Mr. BARKER: I suggested an amendment:

To promote and support all measures likely to improve the medical profession.

Mr. CHABOT: I will accept that if the wording is changed to: 'Improve the practice of medicine.'

Amendment changed as suggested, agreed to.

Mr. HENDERSON: Mr. Chairman, I would like you to read sub-section (d) as you consider it has been adopted. The promoter of the Bill suggested that it should read 'to encourage honourable practice,' and that all the other words of the sub-section should be stricken out. If it has been amended in that way, it will satisfy my clients, but I do not want it to go through unless it is satisfactory.

The CHAIRMAN: The sub-section as adopted reads:

To encourage honourable practice of the medical profession.

Mr. HENDERSON: Then I beg to move that it be reconsidered.

Motion for reconsideration negatived.

On section 4—by-laws to continue:

The CHAIRMAN: Mr. Chabot moved that clause 4 be struck out, and the following be substituted therefor:

The association in general meeting may from time to time pass rules and by-laws of the said association, in so far as they are not contrary to law, or to the provisions of this Act, in like manner, alter or amend the same.

Mr. BUREAU: They have that in clause 6, which says:

The association may make such by-laws and rules, not contrary to law or the provisions of this Act, as it may deem necessary with regard to the government and management of its business and affairs.

Now clause 4, if I understand it rightly, provides for the adoption by the association of the by-laws of the unincorporated society, while, under the new clause, the incorporation shall have power to pass by-laws not contrary to this Act. It simply reaffirms what they say in clause 6.

Mr. NICKLE: The suggested amendment, as proposed by myself this afternoon, was to substitute clause 4, which the Chairman has just read, for the clause as printed in the Bill, and then when clause 6 is reached it can be dropped.

Section as amended agreed to.

On section 6—powers as to by-laws and rules:

Mr. NICKLE: I move that this clause be deleted.

Mr. BUREAU: In this clause you define what are the subjects upon which they will have the power to pass by-laws—qualification, classification, rights, admission and expulsion of members, and so on. I do not think that I have heard in the amended clause 4 any enumeration of the subjects on which the association may pass by-laws.

Motion agreed to.

Mr. EMMERSON: I wish to move reconsideration of clause 3.

Motion agreed to.

On section 3, sub-section (b)—promissory notes, etc.

Mr. EMMERSON: I want to call the attention of the committee to that portion of the clause which refers to the making and acceptance of promissory notes, and so forth. I would ask if, in the opinion of those who are promoting the Bill and of the members of this committee, it is usual to grant powers of that kind to an association of this character.

An hon. MEMBER: They will never need it.

Mr. EMMERSON: They never will, and it has not been usual to put it in. It seems like playing with legislation to put that in.

Mr. REID (Grenville): They might want to raise temporarily some money at the bank in connection with the association, and it would be well to have that cause in.

Mr. EMMERSON: I venture to say that in any of the Bills of this character we have passed, we have never granted such a power.

Mr. REID: They might want a small amount from the bank, I do not think the clause would do any harm.

Section agreed to.

Mr. BUREAU: We give, by clause 4, which has been substituted for the old clause, the power to this association to make by-laws at a general meeting. Now associations of this kind do not generally have this absolute power of making by-

laws and ratifying them at general meetings, because as had been said by my hon. friend from Moosejaw, this is not a commercial corporation, and it is not a question of investing one's money and taking a chance on the men who are at the head of a corporation. We had occasion to discuss this matter in the Private Bills Committee and they were asked, what protection the people would have against the making of by-laws by the association. They said that these by-laws are submitted to the Lieutenant Governor of the province. They must be approved by somebody, and there must be a kind of court or tribunal, where a man who has any objection to a by-law may have a chance to submit it. But here you say that this association shall have the right at a general meeting to pass by-laws. You do not say it is on matters pertaining to the association. They have the general right to pass by-laws, provided they are not contrary to this Act. Now this Act is pretty vague, and they may pass a lot of by-laws that would not be contrary to the Act. We should amend this section by stating that these by-laws should be filed with the Secretary of State, published in the Canada Gazette, and, within fifteen days of publication, be given force and effect, after being ratified and approved by the Governor in Council.

Mr. GRAHAM: There are some other associations with which this one has been compared. Take for instance the fraternal societies in the province of Ontario by which thousands of people are affected. If they wish to change their by-laws or constitution in any vital way, they have to get the approval of the Inspector of Insurance before they can impose the change on the membership at large. If they want to make any change that would affect or might affect the standing of the society, they have to go to a higher authority to see that the rights of the members are protected. This is a pretty wide power to give an association of any kind, particularly one whose members derive their right or standing from the provincial authorities. It is going a long way to give them a right to make by-laws which will be subject to nobody but themselves. It might never be abused, and it might be. There are different grades in the medical profession, varying in degrees of excellence according to the school to which they belong. I think it is absolutely the fact that this association will be composed of one branch of these schools, or of one of these schools of thought or practice, and the others will practically not be in this association at all. Possibly, if they desired to get in under these by-laws, they might be specifically excluded

Mr. REID (Grenville): What clause are you referring to?

Mr. GRAHAM: I am talking about the question of their being allowed to make by-laws without reference to anybody.

Mr. REID: That is under clause 8.

Mr. GRAHAM: It would be a proper safeguard if the association, or the promoters of the Bill, would insert a clause that before they made any radical change in their by-laws or constitution these changes should be submitted to some authority, such as the Secretary of State, representing this Parliament that gives them their power of existence. Thus the medical profession at large would feel that they had some assurance that nothing would take place which would not be fair and the public would feel better if they had this safeguard. It might never be necessary, but in making a statute, you must assume that it will be literally interpreted and there might come a time when somebody might cease to take advantage of the absence of one word or clause from the law. It would not hurt the Bill at all and it would safeguard the public if a clause were put in to provide that any change in the constitution or by-laws must be submitted to the Secretary of State and given publication before becoming valid.

Mr. BUREAU: I move the insertion of the following as clause 7:

The by-laws of the association shall not come into force until they have been deposited in the Department of the Secretary of State, published in the Canada Gazette and received the sanction of the Governor in Council after one month has elapsed after such publication.

Between the publication and sanction there will be a month allowed for any person to take exception to the by-laws if he wishes to do so.

Amendment (Mr. Bureau) agreed to.

On the preamble:

Mr. LEMIEUX: I think that the committee will be disposed to adopt a new section of this Bill. I believe that we are encroaching on provincial rights but the Minister of Justice is satisfied with the Bill and I have therefore no more to say. The Minister of Justice is not in his seat at present but I think he would approve of the new clause I am going to suggest. The Minister of Customs referred a moment ago to a legislation similar to this which was adopted by this House in 1908 and by which we incorporated the Architectural Institute of Canada. Parliament added this clause to that Bill:

Nothing in this Act shall be deemed to encroach upon the rights and privileges conferred on any association of architects having a charter, or which may hereafter have a charter, from the legislature of any province of Canada.

I therefore propose that the following clause be added to this Bill:

Nothing in this Act shall be deemed to encroach upon the rights and privileges conferred upon any other similar association having a charter or which may hereafter have a charter, from the legislature of any province of Canada.

Amendment (Mr. Lemieux) agreed to.

Mr. SUTHERLAND moved that the preamble be struck out.

Amendment (Mr. Sutherland) negatived.

Bill reported.

INTERCOLONIAL TRUST AND INVESTMENT COMPANY.

House in Committee on Bill No. 58, to incorporate Intercolonial Trust and Investment Company, (and recommending that the title be changed to Intercolonial Trust Company).—Mr. Barnard. (Mr. Deputy Speaker in the Chair.)

An hon. MEMBER: We want some information with respect to this Bill.

Mr. ROGERS: As the promoter of the Bill is not present, I move that the committee rise and report progress.

Mr. GRAHAM: May I make a suggestion? I see this company uses the name Intercolonial Trust Company, and I notice there is a fire insurance company using the word 'Intercolonial' also, and not only that, but using the moose-head trade mark of the Intercolonial railway. It is questionable if this Parliament would allow a company to call itself the Grand Trunk Trust Company or the Canadian Northern Trust Company or the Canadian Pacific Trust Company, unless it were in connection with these companies, and I do not see why this company should be allowed to use the word 'Intercolonial,' in that it may be thought that the company is connected with the Government railways.

Mr. ROGERS: We will deal with that when we are considering the Bill.

Progress reported.

QUESTIONS.

(Questions answered orally are indicated by an asterisk.)

EMPLOYMENT OF G. ALPHONSE DUGAL.

Mr. GAUVREAU:

1. Is G. Alphonse Dugal, a former Conservative candidate against Mr. H. Bourassa in Labelle, in the employment of the Government?

2. If so, what position does he occupy, what is his salary and who recommended him?

Mr. PELLETIER: In what department is he?

Mr. GAUVREAU: (Translation.) Mr. Speaker, I would like to know what position is really occupied by that Mr. Dugal, who lives in this country and has been a candidate to the Federal House. I would like to know in what department he is employed. If the honourable Postmaster General is unable to tell me, I would ask him to inquire from the Minister of Inland Revenue.

Mr. BUREAU: Do you not know what is going on on your side?

Mr. PELLETIER: The hon. member himself does not know.

Mr. BUREAU: He is in the employ of the Government and that ought to be enough.

Mr. GRAHAM: The usual practice is for each member of the Government to give his answer when the question affects different departments, and the answer is given to the House by the Secretary of State.

Mr. PELLETIER: We know that.

Mr. GRAHAM: But I heard the minister excuse himself for not answering on the ground that the question should be more definite.

Mr. BUREAU: The member of the Government who employed this man knows all about it.

Mr. PELLETIER: I asked the member for Temiscouata (Mr. Gauvreau) if he could say what department this gentleman was in, in order that it might save time inquiring in the different departments, and he refused to say. We know the Secretary of State answers the question after inquiry is made in different departments.

Mr. GRAHAM: Then there is no excuse for not answering the question if you know.

Mr. PELLETIER: When we are ready we will answer it.

Mr. GRAHAM: I suggest, Sir, that is not courteous to members of this House.

Mr. PELLETIER: Can we answer a question before we are ready?

Mr. GRAHAM: Yes, but there is an insinuation behind the statement you have just made.

Mr. PELLETIER: We will be ready to answer as soon as possible.

MANITOBA SWAMP LANDS.

Mr. CRUISE:

1. Has the Government received a copy of the following resolution passed by the Union of Manitoba Municipalities?

Resolution 17. That whereas there is in the northern municipalities of the province a very large amount of land which has been classed as swamp land, and which is at the present time unoccupied, and whereas a very large percentage of the swamp lands owe their classification to the conditions at present existing, they being covered with scrub, which prevents evaporation and the free run of water courses, and require but the work of the settler to convert them into arable land.

And whereas the northern municipalities of the province, from the large quantity or vacant and untaxable lands within their boundaries, rendering improvement slow and costly to the existing inhabitants, and this in a class of country where the building of roads is much more difficult than in prairie municipalities:

The convention would, therefore, ask the Dominion Government to throw open for homesteading the lands heretofore known as swamp lands.

2. Is it the intention of the Government to carry out the suggestion made by the Union of Manitoba Municipalities?

Mr. ROCHE:

1. Yes.
2. The matter is under consideration.

ALBERTA NATURAL GAS.

*Mr. BUCHANAN :

1. Has the Government received petitions and resolution from board of trade and municipal councils in Alberta, asking that the piping of natural gas out of the province of Alberta should be prohibited?
2. Does the Government consider that the Dominion has the power to prohibit the exportation of natural gas out of Alberta?
3. If so, does the Government intend taking action to meet the prayer of these petitions and resolutions?

Mr. CODERRE :

1. No such petitions or resolutions have been received.
2. Under the provisions of the Electricity and Fluid Exportation Act (chapter 16, 1907), the Governor in Council has power to regulate or prohibit the exportation of natural gas.
3. Answered by No. 1.

HOMESTEAD ENTRY FOR WOMEN.

Mr. BUCHANAN :

1. Has the Government received a petition asking that homesteading privileges should be extended to women?
2. Have women at any time been allowed the opportunity to enter for homesteads?
3. If a petition has been received, what action does the Government purpose taking upon its demands?

Mr. ROCHE :

1. Yes.
2. According to the Dominion Lands Act, homestead entry has been granted in cases of women who have satisfied the department that they are the sole head of a family, that is, a widow with minor children dependent upon her for support.
3. This matter is under consideration.

CONTRECŒUR LIGHTKEEPER.

Mr. LEMIEUX :

1. Has Ernest Gendron, lighthouse keeper of Contrecœur been dismissed? If so, when?
2. Who has replaced him?
3. At whose request?
4. Does the Government know that this keeper asserts that he never takes any part in politics?

Mr. HAZEN :

1. Mr. Ernest Gendron was lightkeeper at Contrecœur Verchères back light; (a) Yes; (b) 31st October, 1912.
2. Mr. Joseph Dupuy.
3. Mr. J. H. Rainville, M.P.
4. No.

FARNHAM MILITARY CAMP.

Mr. KAY:

1. How many acres of land are owned by the Government in Farnham in connection with the military camp?
2. How much did this land cost?
3. (a) What is the total sum spent in improvements thereon, (b) and how much of this has been spent since October 1, 1911?
4. Has any of this land been purchased since October 1, 1911?

Mr. HUGHES :

1. 1,303.39/100 acres.
2. $29,572.
3. (a) $48,900; (b) $7,324.
4. Yes, 129·25 acres.

ST. ARMAND MAIL CONTRACT.

Mr. KAY:

1. Who is the present contractor for carrying the mail between St. Armand station and Frelighsburg, and what is the amount of his contract?
2. Was his tender the lowest submitted? If not, what was the amount of the lowest tender?
3. What was the sum paid Mr. J. C. Beeman, the former contractor per annum?

Mr. PELLETIER:

1. (a) Arthur Depatie. (b) $660 per annum.
2. Yes.
3. $662 per annum.

YARMOUTH HARBOUR DREDGING.

Mr. LAW:

1. Were tenders asked for the removal of Sollows Rock shoal and dredging in Yarmouth harbour in 1912?
2. If so, how many were received, from whom, and what was the amount of each tender?
3. On what date were the tenders received?
4. On what date was the contract awarded?

5. What caused the delay between receiving the tenders and the awarding of the contract?

Mr. ROGERS:

1. Yes.
2. One tender received from the Dominion Dredging Company, at $9 a cubic yard for class A, i.e., solid rock or boulders containing over two cubic yards, and 22½ cents a cubic yard for Class B which covers all other materials.
3. 6th August, 1912.
4. 19th August, 1912.
5. There was no unnecessary delay.

ATLANTIC, QUEBEC AND WESTERN RAILWAY.

Mr. MARCIL:

1. Has the Minister of Railways and Canals given effect to the promise made by him in his letter to Mr. William Plender, trustee of the Charing Cross Bank, of June 12, 1912, to appoint an engineer and accountant to go over the lines of the Atlantic, Quebec and Western railway and the Quebec, Oriental railway, which it has been suggested the Government should acquire, with a view to ascertaining the usefulness of these properties from the standpoint of the Intercolonial, and decide what shall be done?
2. If not, does the Minister intend doing so, and when?

Mr. COCHRANE: 1 and 2. No promise was given in the letter referred to. It was merely a general statement that an examination of the suggested branch lines would be undertaken.

GLOUCESTER, N.B. MAIL SERVICE.

Mr. TURGEON:

1. In answer to tenders asked for by the Postmaster General for the carriage of the mails between Elm Tree and Madran and Devereaux, county of Gloucester, N.B., did Isidore F. Roy and Joseph A. Devereaux submit tenders? If so, what was the amount of each tender?
2. To whom has the contract been granted?

Mr. PELLETIER: When the post office at Devereaux was established on 1st November, 1912, the department arranged with Jos. A. Devereaux, the postmaster to perform the mail service between Devereaux and Elm Tree via Madran at $75 per annum. The service between Elm Tree and Madran at $32 was then superseded. The amount being under $200 no tenders were invited.

HUDSON BAY RAILWAY SOUTHERN TERMINALS.

Mr. OLIVER:

Upon which side of the Saskatchewan river will the Southern terminals of the Hudson Bay railway be located?

Mr. COCHRANE: The matter is under consideration at the present time.

SOUTH AFRICAN VOLUNTEER WARRANTS.

Mr. OLIVER:

1. How many South African volunteer warrants have been issued to date?
2. How many have been registered to date?
3. How many have been located to date?
4. How many were registered but not located on December 31, 1911?

Mr. ROCHE:

1. 7,323.
2. 6,889.
3. 7,142.
4. 97.

GRONDINES MARITIME TELEPHONE STATION.

*Mr. DELISLE:

1. Has the Government erected in the parish of Grondines, county of Portneuf, a maritime telephone station?
2. If so, who has been appointed operators by day and night?
3. What are their names, ages, and salaries, respectively?

Mr. HAZEN:

1. Yes.
2. Answered by No. 3.
3. J. O. Paridis, day operator, aged thirty-eight years, $50 per month during season of navigation.

Laurent Paridis, night operator, aged nineteen years (appointed temporarily), $50 per month.

SOUTH MANCHESTER POST OFFICE.

Mr. SINCLAIR:

1. Who is the mail contractor between Boylston and South Manchester, N.S.?
2. What amount is payable to such contractor per year for performing the service?
3. Has there been an increase in the mileage of this route? If so, when was this change made and how much has the mileage increased, and if anything additional is payable to the contractor by reason of such increase, how much?
4. What gave rise to the increase, if any?
5. Who is the present postmaster at South Manchester, when was he appointed and what is his remuneration?
6. How many of the inhabitants of South Manchester, who received their mails at the South Manchester post office prior to the change in the location of the said post office, have since such change given notice to have their mail held at Boylston post office?

Mr. PELLETIER:

1. Charles David.
2. $120 per annum.

3 and 4. By removal of the South Manchester post office on the 1st of December, 1912, the distance between the two offices was increased from four to five and a half miles, entitling the contractor to $45 per annum in addition to the contract price given in question No. 2.

5. Mr. John J. Callaghan, appointed 1st of

December, 1912. The salary of the office is $35 per annum.

6. The department has no information on this point.

ST. FABIEN POSTMISTRESS.

Mr. CARVELL:

1. Who recommended the appointment of Mrs. Thomas Bellavance as postmistress at St. Fabien, county of Rimouski?

2. Was there a recommendation, oral or in writing, made to the Postmaster General by the member for Rimouski concerning the above appointment?

Mr. PELLETIER: Mr. H. Boulay, M.P.

DOMINION LANDS AT WYNYARD.

Mr. NEELY:

1. What was the salary per month of the sub-agent of Dominion lands at Wynyard during the year 1911?

2. What is the present salary of the sub-agent of Dominion lands at Wynyard?

3. What was the number of homestead entries applied for at the Wynyard sub-agency during the year 1911?

4. What was the number of entries applied for at the sub-agency at Wynyard during the year 1912?

Mr. ROCHE:

1. $25 per month.
2. $50 per month.
3. 1911—227.
4. 1912—126.

TIMBER RESERVATION.

Mr. OLIVER:

1. Has the southeast ¼ of section 34, township 40, range 14, west of the 3rd meridian, been reserved for park purposes, or for any other reason?

Mr. ROCHE: This land was temporarily reserved with other lands in the vicinity in response to a petition signed by a large number of the residents in the vicinity, asking that a reservation be made in order to furnish a timber supply to the district.

DISMISSALS.

Mr. LEMIEUX:

1. Has the postmaster at Contrecœur been dismissed? If so, when and why?

2. Who has replaced him, and at whose request?

3. If it is for partisanship, does the Government know that the present postmaster is said to be not free from the same charge?

4. Has the mail carrier of the post office at Contrecœur Station been dismissed?

5. What is his name, how long has he had the contract, and what is his salary?

6. Who replaced him, at whose request, and what is his salary?

Mr. PELLETIER:

1. Yes. On the 20th June, 1912, for political partisanship.

2. Mr. Ephrem Lamoureux, by direction of the Postmaster General.

3. The department has no information on this point.

4, 5 and 6. Ulric St. Jean had a contract at $160 per annum, which expired on the 31st July, 1909. This contract was obtained by tender on 1st August, 1901, and was renewed in 1905. It was not renewed in 1909, but was continued as an overdue contract at the same price.

This contract contained a clause providing for its termination on three months' notice. This has been given and a new contract authorized with Ephrem Lamoureux at the same price.

Mr. LAW:

1. Why was Dr. C. A. Webster dismissed from the position of port physician at Yarmouth, N.S.?

2. Were any requests made for his dismissal? If so, by whom?

3. If any requests were made, were they verbal or in writing?

4. If any charges were made against Dr. Webster, were said charges investigated? If not, why not?

Mr. HAZEN:

1. The services of Dr. Webster were discontinued in the interest of the public service.

2. Yes. By persons enjoying the confidence of the minister.

3. Verbal.

4. The facts were sufficiently established not to warrant the expense of an investigation.

Mr. OLIVER:

1. When was Howard Douglas dismissed from the position of park superintendent?

2. What was his salary at the time of his dismissal?

3. What was the reason of his dismissal?

4. Who was appointed in his place, when was he appointed, and what is his salary?

Mr. ROCHE:

1. July 31, 1912.

2. Three thousand dollars ($3,000).

3. Because he was unreliable and was using his official position to advance his personal interests.

4. P. C. Barnard-Harvey, appointed October 21, 1912, salary $3,000 per annum.

Mr. LEMIEUX:

At whose request was Sylvain Lancup, postmaster of Petite Rivière East, county of Gaspé dismissed and for what reasons?

Mr. PELLETIER:

The postmaster was dismissed for political partisanship, by direction of the Postmaster General.

UNOPPOSED AND UNDISCUSSED MOTIONS.

For a copy of all petitions, resolutions, letters, telegrams and correspondence, relating to free or reduced transportation of hay over the Intercolonial railway for the farmers of Antigonish county, Nova Scotia, and also of the evidence taken and report made as to the shortage of hay in that and other of the eastern counties of Nova Scotia.—Mr. Chisholm (Antigonish).

For a copy of all complaints requirements, requisitions, petitions, and correspondence of all kinds made by the Sydney, N.S., Board of Trade, or by the citizens of the city of Sydney, or any of them, having reference to better and increased facilities on the Intercolonial railway on the Sydney division—Mr. Carroll.

For a copy of all requests, petitions, &c., made to the Government, or any department thereof, by the residents of Mira, county of Cape Breton, for subsidies for boats, wharf accommodations, or increased facilities on the Mira river.—Mr. Carroll.

For a return showing separately the amount paid by the Department of Indian Affairs for medical attendance on account of the Indians on the Micmac reserve of Ste. Anne de Restigouche, Quebec, for each year from 1900 to 1913, inclusive, and to whom paid.—Mr. Marcil.

For a copy of all letters, telegrams, recommendations, petitions and documents, relating to the appointment of Mr. Pierre Cournoyer as postmaster at St. Pierre de Sorel, county of Richelieu.—Mr. Cardin.

For a return showing the names of the buildings occupied by the Government as public offices, which are under rent, excepting the Centre, East, West and Langevin blocks; the street on which each of these offices is situated and the number of the street in each case.—Mr. Boulay.

For a return showing the stenographers and secretaries of the House of Commons, and the names of the members for whom each of them works; also the stenographers and secretaries of the Senate and senators, with the names of the senators for whom they work, respectively.—Mr. Boulay.

For a copy of all letters, telegrams, correspondence, charges, evidence, reports and other documents relating to the dismissal of Hugh R. McAdam as postmaster at Arisaig, N.S., and the appointment of Rev. Daniel L. Macdonald as his successor.—Mr. Chisholm (Antigonish).

For a copy of all regulations issued by the Minister of the Interior, relating to the disposition of Dominion lands between April 8, 1905, and October 12, 1911.—Mr. Oliver.

For a copy of all correspondence and documents between the Government of Canada or any officer thereof, and one Miss Mastin, of England, relating to a presentation of certain chinaware and other curosities, made to the Government by the said Miss Mastin, in memory of the defeat at the polls of the agreement relating to reciprocity with the United States.—Mr. Sinclair.

For a copy of all correspondence between the Minister of Public Works and H. Morel, M.P.P., for East Nipissing, in any way relating to the construction of a road or highway from North Bay to Sturgeon Falls, Ontario; and of all petitions, correspondence, surveys, and engineer's reports in any way connected with the building of the said road or highway.—Mr. Murphy.

For a copy of all memoranda, letters, papers, or other documents in the possession of the Department of the Interior relating to the N.W. ¼ of 8-49-26-4, and the S.W. ¼ of 7-49-28-4.—Mr. Oliver.

For a copy of all regulations relating to the disposition of Dominion lands made by the Minister of the Interior from October 12, 1911, to January 1, 1912, and of the regulations for the placing of half-breed scrip on homestead or other lands, made by the Minister of the Interior from October 12, 1911, to January 11, 1912.—Mr. Oliver.

For a copy of all letters and papers relating to the issue of half-breed scrip, warrant number 2155, certificate number 672, to Albert St. Denis, and the disposition of the said scrip.—Mr. Oliver.

For a copy of all memoranda, letters, papers and documents relating to the setting apart of a forest reserve on the north side of the Saskatchewan river opposite the city of Prince Albert.—Mr. Oliver.

NAVAL FORCES OF THE EMPIRE.

Consideration of the proposed motion of Mr. Borden for the second reading of Bill No. 21, to authorize measures for increasing the effective Naval Forces of the Empire, and the proposed amendment of Mr. Turriff thereto, resumed from February 21

Mr. J. P. O. GUILBAULT (Joliette): (Translation.) Mr. Speaker, during the last three months a sufficient number of speeches were delivered, and those speeches were long enough to thoroughly inform the House as regards two main points in this debate: What are the respective policies of the Government and of the Opposition on this navy question?

The Government, on the ground of emergency, asks for an immediate contribution of $35,000,000, the said contribution to be granted to Great Britain for the purpose of building warships which are to be utilized for the common defence of the Empire and of Canada, the latter reserving the right to take them back later on, should we decide to have a navy of our own.

The Opposition, on the other hand, sees an emergency of a different kind which consists in carrying out the naval scheme which was provided for and initiated in accordance with the proposal of their leader in 1910.

However, there is another question still more important and in connection with which no stand has as yet been taken: Do the people approve of any of these policies? That question cannot be answered by anybody just now, considering that the people have not been directly appealed to.

I am aware that hon. gentlemen on the other side propose having this question settled through a general election; such is

the purport of the amendment moved by the honourable member for Assiniboia (Mr. Turriff). Honourable gentlemen on the Opposition side have no risk to run, being already on the wrong side of the House; the worst that might happen to them would be to remain where they are. In my view they have not much of a chance to regain power, as the people will not stultify themselves.

In September, 1911, the people declared themselves against reciprocity and in favour of protection. They have not changed their minds. The reasons which then existed in favour of protection still exist to-day. The people want protection, and if an election was forthcoming, I am satisfied the Government would be returned with an increased majority.

Mr. PROULX (Prescott): (Translation.) Does the honourable member claim the people to be in favour of contribution?

Mr. GUILBAULT: (Translation.) I do not think so, neither were they in favour of the former Government's navy bill. A general election would not enlighten us as to the people's views on a certain question. The only means of ascertaining the people's views is to consult them on that point, and on that point alone, without reference to any other political question. That means is the plebiscite.

Mr. LAPOINTE (Kamouraska): (Translation.) That is safer.

Mr. GUILBAULT: (Translation.) It is a safer means and one not liable to mislead. Of course, I realize that a general election would give hon. gentlemen a better chance to regain power. But the Liberal party would not have a plebiscite in 1910 and would not consult the people in connection with this navy question. Why? Because the Liberal party were well aware that their Navy Bill would be generally condemned throughout the country.

To-day the following three questions might be put to the people in the form of a plebiscite: Are you in favour of maintaining the present state of things? Or, are you in favour of building a navy as proposed by the former Government? Or, in the third place, are you in favour of an emergency contribution, which may later on be made permanent, in favour of the British navy?

If the people were consulted on these three points, I think they would declare by a large majority in favour of maintaining the present condition of things, that is to say, they would not grant a contribution and they would not proceed with the building of the navy provided for by the former Administration, I mean a navy that would be controlled by Great Britain in time of war. For we should not forget that the policy of the former Administration provided for the establishment of a navy built by Caandians, with Canadian funds, manned by Canadians, belonging to them in time of peace, but in time of war under the exclusive control of Great Britain. What the people want, to my mind, is the building of cruisers of a type suitable for the protection of the country, and by protecting our country, we are helping Great Britain. The Canadian people is loyal to the Mother Country, and if ever she needs the help of her colonies, Canada will not refuse. But the country will not have loyalty imposed on it by means of legislation; it is desirous of having full credit for the loyalty displayed.

In connection with the plebiscite question, everything has been attempted to prevent its being squarely laid before the House. When the hon. gentleman from Maisonneuve (Mr. Verville) submitted his amendment to the amendment, a very shrewd move was resorted to, by retaining the amendment moved by the Opposition leader which approved of the policy of the former Government. Of course, it was well known that the independent members did not approve of that policy. Now, had they voted for the amendment to the amendment, their vote would have implied approval to a policy which they have repudiated; and by voting against the amendment to the amendment, they left themselves open to the charge of being opposed to an appeal to the people, in other words of being inconsistent. Accordingly those few words in reference to a consultation of the people were tacked to the amendment and that settled the matter. Fortunately, the honable member for Nicolet (Mr. Lamarche) saw through the game of our opponents and explained very fully why independent members should not vote in favour of this amendment to the amendment. What we are anxious for is to know the will of the people expressed without ambiguity, without any mixing up with other questions, in such a way that the verdict may not be obscured by other considerations, and be perfectly clear.

And in order to obtain that result, a plebiscite is necessary. The Liberal party will have nothing to do with it, neither will the Conservative party. Both parties are opposed to it; only the people want it, but I fear they will not have it.

Reference has been made on several occasions to the moral effect which the granting of a contribution or the building of a Canadian navy would have, the conclusion in the minds of foreigners being that Canada was desirous of assisting Great Britain. But such a vote would express merely the views of a majority of the 221 members of this House. How much greater would the effect be if we had instead the free and spontaneous expression of the will of a majority of hundreds of thousands of voters. Then truly could it be said that it

expressed the will of the majority of the people, and not merely the views of a majority of the members. However there will be no appeal to the people, as both parties seem entirely in accord on this point.

To use the picturesque expression of the hon. leader of the Opposition, we are bound at any cost to enter into the vortex of militarism, without consulting the people, whether it be in the shape of the building of a navy which will be Canadian in time of peace and Imperial in time of war; or whether it be in the shape of an emergency contribution. In any case, we cannot avoid the vortex of militarism. The people think that the country's revenues should be for some years more applied to the development of our resources. It will always be soon enough for us to engage in militarism.

The people of Canada have never refused to assist Great Britain in time of need, as was stated so eloquently the other day by the hon. member for Bonaventure (Mr. Marcil) when he recalled the glorious deeds of the victor of Chateauguay and the never to be forgotten events of the war of 1812. The people have always shown themselves to be loyal to Great Britain, and we are the descendants of these stalwarts. But, I repeat it, we wish it to be a spontaneous deed on our part, the expression of the majority's will. The people will not be bound in spite of them. A consultation of the people such is the stand I have taken in the past, and that which I intend taking to-day.

Now, it is contended that in the province of Quebec, armaments are regarded with horror. That may be true to a certain extent. But do you know how that originated? It dates back to the nefarious warfare waged by the Liberal party in 1896 when the then leader of the Government, Sir Charles Tupper, asked for a million dollar grant for the purpose of providing rifles. Liberal leaders at the time carried on a violent campaign throughout the country. Now to-day the Opposition not only insists that we should provide for a navy, but their leader has gone even further and has stated that if Great Britain was in danger, or merely in competition with one, two, three or several great European nations, the Government might rest assured that we would put at the disposal of the Mother County not only thirty-five millions, but twice, three times and even four times that amount, nay, all the resources of Canada without a discordant voice being heard.

If there exists in the province of Quebec an anti-military feeling, that is the fault of the Liberal party, who have pushed things to extreme in the past.

So then I believe that the only means of getting at the opinion of the people is recourse to a plebiscite, and I shall within a few minutes move in that direction, seconded by my honourable friend from Rimouski.

Mr. GUILBAULT.

Before taking my seat, I wish to correct certain statements made by honourable gentlemen on the other side in the course of this debate. The honourable member for Welland (Mr. German) and the honourable member for Rouville (Mr. Lemieux) stated that the navy scheme of the former Government had been approved in 1911 in the province of Quebec. Such is not my view. What carried the day in the province of Quebec, was the personal prestige, the incomparable popularity of the leader of the Opposition. If it had not been for the name of Laurier, the Liberal party would have been utterly defeated in the province of Quebec. His name was used; the party organization was perfect, electoral funds abundant, the press devoted, and it is by means of all these that the Conservative party was routed in Quebec.

The honourable member for Rouville stated that some Conservative members had been returned by accident, particularly the member for Joliette. Of course, I admit that it was an accident as regards the Liberal party, who lost one of their supporters; but that accident was not in the programme and the Liberal party did all in their power to avert it. The honourable member for St. Hyacinthe (Mr. Gauthier) came to the assistance of his Liberal friend in the county of Joliette, but he did not succeed. The same may be said of the former member for Yamaska, Mr. Gladu, who on two different occasions came to address the people of the county of Joliette, and who in the evening of September 21, was a defeated candidate in his own constituency. That was an accident. The former member for Hochelaga, Mr. Rivet, also came to preach the Liberal gospel in Joliette; but on September 21 he met with the same accident and was defeated. The hon. member for Three Rivers (Mr. Bureau) also came to pay a visit to me, and on September 21, 1911, he saw his majority dwindle to almost nothing. The former leader of the Government, to-day leader of the Opposition, also condescended to pay me a visit, and on September 21, having met with an accident, ceased to be the Prime Minister of Canada, to become merely the leader of the Opposition.

Another accident occurred which I was about to forget. The honourable member for Rouville, who was at the time member for Gaspé, visited Joliette, and by the end of September he ceased to be member for Gaspé and simply remained member for Rouville.

Mr. PELLETIER: Another accident.

Mr. GUILBAULT: A whole series of accidents. Mr. Speaker, I shall not retain the House much longer, seeing that a large number of honourable gentlemen are still listed to deal with this subject.

Accordingly I move, seconded by the hon. member for Rimouski (Mr. Boulay),

as an amendment to the amendment—and I believe it to be perfectly in order—that the following words be added to the amendment of the hon. member for Assiniboia: 'by plebiscite.'

Mr. BUREAU: Mr. Speaker, I rise to a point of order. The hon. gentleman has in effect claimed that there was an arrangement between the two sides of the House that his amendment would be ruled out of order.

Mr. SPEAKER: There is no foundation in fact for that statement. So far as I know, it was never known by any person not even by myself until it came into my hands.

Mr. BUREAU: My point is well taken then?

Mr. SPEAKER: Yes.

Mr. GUILBAULT: I did not say there had been any such thing. I said that I expected there would not be such a thing with the sub-amendment to the amendment which I shall propose in a moment, and I shall say also that the amendment I shall propose has not been submitted to this House. I move as an amendment that the following words be added to the amendment of the hon. member for Assiniboia:

By way of referendum.

I move that, seconded by Mr. Boulay.

Mr. LEMIEUX: I do not know if my hon. friend can translate 'plebiscite' by 'referendum.' I see in the French he uses the word 'plebiscite.'

Mr. PELLETIER: There is some difference between referendum and plebiscite. The hon. gentleman (Mr.Guilbault) has used in French the word 'plebiscite.' I think it should be plebiscite in English also.

Mr. SPEAKER: In French it is plebiscite.

Mr. PELLETIER: I do not think it would be fair to use the word 'referendum,' when the member for Joliette (Mr. Guilbault) wants it to be 'plebiscite.'

Mr. GUILBAULT: Plebiscite—it should be the same thing in English.

Mr. SPEAKER: I notice that in the French copy it is 'by way of plebiscite.' In the translation it is 'by way of referendum.' In my judgment it ought to read 'by plebiscite' in the translation as well is in the original copy. The question is on the amendment to the amendment.

Mr. BUREAU: Has the hon. member a seconder??

Mr. SPEAKER: Is there a seconder?

An hon. MEMBER: He has no seconder?

Mr. PELLETIER: The hon. member for Joliette should be allowed a chance to say if he has a seconder. This motion should not be choked off. It would not be fair.

Mr. SPEAKER: I am asking who the seconder is.

Mr. GUILBAULT: Mr. Boulay, of Rimouski.

Mr. PROULX: Does the hon. member for Rimouski consent to act as seconder?

Mr. PELLETIER: That is not fair; the hon. member has no right to say that. It is for the proposer of the motion to say who his seconder is.

Mr. BUREAU: The Speaker might ask.

Mr. SPEAKER: It is not the Speaker's place to determine if anyone seconds a motion or not. The member who sends it up names his seconder, and that is the motion now before the House.

Mr. W. S. LOGGIE (Northumberland): Mr. Speaker, I rise with some diffidence to make a few remarks on this important question that has been discussed in the House for so long. Ever since the colonies now forming Canada were under the Crown of the United Kingdom, that Crown has done its part in maintaining a naval supremacy of the sea sufficient to protect us in time of need but without any expenditure on our part. Our industries have been fostered, our trade routes have been rendered secure because of the might and prestige of the Royal navy. The prowess of the Mother Country is to-day the same as of yore and she is willing and able to care for her daughter nation. Canada's position to-day in the eyes of the world is that of a great young nation in the greatest empire in the world, the oldest and the greatest of the young daughter nations and it behooves us to do our full duty in our relation to that empire. Our resources to-day per capita are the third of any nation in the world so that I say the time has come when we ought to put on our nationhood. Our total trade last year was over one billion dollars, and we can afford to set apart $35,000,000 for the naval defence of our Empire. It seems regrettable that we should go before the Empire and before the world on a question like this as a divided people. We ask the people of Canada to contribute $35,000,000 for the purpose of building ships when, as a matter of fact, practically one-half of the people of Canada are apparently opposed to any such policy. So I say in the interests of the Empire and for our own self-respect, we ought, on a great question like this, to come to some agreement whereby we can deal with it unanimously in this House. If eternal vigilance be the price of liberty, it is the price we ought to pay to maintain our bonds of love and affection for our King and the

Empire, and what we decide upon naval matters should be unanimous if we are to do our full duty. Not one hon. gentleman in this House will dispute the fact that fiscal and political matters are primarily of Canadian concern and Canadian people and the Canadian Parliament should be supreme in matters of defence.

After this brief introduction, let me narrate briefly what has led up to the present situation. We need not go further back in history than the time of the notice by Mr. Asquith in the British Parliament in 1909 that there was a great increase in naval armament by foreign powers. You will remember that alarm was caused in all British territory by the statement. You will recall I am sure what happened in Canada soon after that. The hon. Minister of Trade and Commerce (Mr. Foster) brought forward a resolution setting out in an eloquent manner Canada's duty to herself and to the Empire of which she forms such an important part. On that occasion the right hon. gentleman who leads the Government to-day was very explicit. I have a few quotations from the speech that he made on that occasion. On page 3515 of 'Hansard,' March, 1909, the Prime Minister is reported to have said:

> But Mr. Speaker let us not forget also that a national status implies national responsibility.
>
> It is no use for us in Canada to speak of this country as a nation and to shirk in any manner from the discharge of our national responsibility.

And then he asks:

> What are these responsibilities?
>
> Acknowledged in every civilized community, recognized among all great nations of the earth, a primal responsibility is the defence of their territories and the protection of their commerce.

I ask you, Mr. Speaker, are these not the motives, the plans, and the proposals of one-half of the people of Canada to-day as represented by the members on your left? The right hon. gentleman went on to say:

> 'In my opinion, not less one half of the amount appropriated for defence should be devoted to naval instead of military defence.

What does that mean? The right hon. gentleman to-day proposes to give what, if capitalized, is equal to $1,500,000 per annum. That is all that is involved in this proposed gift of $35,000,000 to construct three ships. The interest on $35,000,000 and also a sum set apart as a sinking fund, would just amount to $1,500,000 per year, and yet the right hon. gentleman in March, 1909, was of opinion that not less than one-half of the amount appropriated for military defence should be devoted to naval defence. How much is that, Mr. Speaker? If you turn to the estimates, you will find that there is no less a sum than upwards of $10,000,000 appropriated for the coming year for military defence; and yet he asks Canada, in connection with this momentous matter, to bear a burden of practically $1,500,000 annually. He gives as a reason that we should have ships to defend our shores and our commerce, for he asks later on: 'Where is the great market of Canada to-day? And then he tells us that the great market is in the Motherland. There is another passage of the speech, which the right hon. gentleman made on that occasion, that I desire to quote. It is this:

> I desire that the policy of Canada on this great question, and the resolution announcing it, should meet with the absolute and unanimous approval of this Parliament and of the country. This is too great a question for the introduction of party strategy.

I regret exceedingly that it has been made a question of party strategy, but the right hon. gentleman was the guilty party when he supported the resolution of the ex-Minister of Public Works (Mr. Monk), when he sat on this side of the House. Not long afterwards that resolution passed the House—on division? No, it was a unanimous resolution, brought forward by the hon. member for North Toronto, and supported by the right hon. the present Prime Minister, with an amendment moved by the leader of the Government of the day, and concurred in by the present Prime Minister. It was unanimously passed in this House. I say Mr. Speaker that it represented the voice of the people of Canada on that occasion, and nothing has really occurred to change the situation in that regard. It has represented the voice of the people of Canada from that day until now.

Perhaps I may say one word regarding the amendment to the amendment that has been moved by the hon. gentleman who has just taken his seat (Mr. Guilbault). I understand that his amendment is in favour of a plebiscite being taken on this matter, and that the effect of his remarks was that three propositions should be placed before the people of Canada, namely, the proposition of the Government, the proposition of the Opposition, and a do-nothing policy. I for one am opposed to such an amendment, and shall not vote for it.

The next point, to which I wish to refer, relates to the introduction of the Naval Act. That Act was introduced by the leader of the Opposition and was carried after a long discussion. So far as I am concerned, I regret that this matter got into partisan politics. The right hon. the leader of the Government to-day had but a few months previously voted for the resolution I have already referred to, and as I have pointed out, he had spoken in a most enthusiastic manner of the course that should be followed, namely, that Canada should have a navy of her own to protect her commerce

and her territory. Following the resolution and the passing of the Act came the Drummond and Arthabasca election, and the matter became still more a political football. In that election the Nationalists put up a candidate to let the world know that their policy was against Canada taking a part in naval defence which would take their sons away to be disembowelled on our ships in foreign wars. That would not have been so bad, Mr. Speaker, if it had not been for the fact that while that election was going on the sentiment and doctrine preached by the Nationalists received the support of the present Minister of Trade and Commerce (Mr. Foster), and of the chief whip of the Conservative party. Thus they identified themselves with the Nationalists. They shook hands over the matter, took the Nationalist party in their arms, and led them along so that they might beat Laurier, no matter what happened. That seemed to be the desire on that occasion.

The next division is the dissolution and the election of 1911. I would like to read a few words from the platform of the Nationalists on that occasion. This is what Mr. Bourassa said:

> But confident in the greatness and efficiency of the principles of centralization and of autonomy as solemnly proclaimed and recognized since more than half a century by the authorities of Great Britain and those of Canada, we are opposed to any new policy which would entangle us in distant wars, foreign to Canada.

Any policy that would entangle us in distant wars that are foreign to Canada ! A certain party in the province of Quebec incorporated that phrase in their platform and I understand that some twenty or thirty seats were won in that province on that platform. I do not find very much fault with that, because every man in this country has a right to do as he pleases. But this is what I find fault with: In the city of Halifax, on the 12th or 13th of September, the right hon. leader of the Government held a political meeting and he was supported by no less a representative gentleman than Sir Hibbert Tupper. On that platform, in the presence of the leader of the Government and on his behalf, Sir Hibbert Tupper made this statement:

> He had in the past condemned Mr. Bourassa and his policy, but in the face of the danger presented by this reciprocity pact he would welcome Mr. Bourassa and Mr. Monk or any one else who would help to defeat this agreement.

Could there be a stronger invitation to the Nationalist party to join in and help to defeat the Laurier Government that had enacted the naval policy ? The leaders of the Nationalist policy in Quebec promised the people that the Act on the statute book would be repealed. Then, what happened? The right hon. leader of the Government formed a Cabinet and that coalition of Nationalists and Empire defenders joined hands to advise the Governor in Council as to what would be the naval policy of this young nation as affecting our relations with the Mother Country. When Parliament assembled the first step towards carrying out this policy of repealing the Naval Act was a notice that it would be repealed by the Minister of Marine and Fisheries (Mr. Hazen).

I want to say a word about the visit to London and the return. Notice that in these twelve or eighteen months this political football was getting larger and larger and when the right hon. leader of the Government and those associated with him returned to Canada and made known the policy that they proposed to the people, that political football cracked and the ex-Minister of Public Works (Mr. Monk) escaped unscathed. I have not one word to say against him. I am, of course, opposed to his policy, but when he found that the Government of the day was going contrary to the understanding that is alleged to have existed, that no expenditure for naval purposes would be made without an appeal to the country, he resigned his position as a member of the Cabinet.

Let me say a few words about the proposal. The first section of the Bill tells us that Canada proposes to expend $35,000,000 for the purpose of immediately increasing the effective naval services of the Empire. I quite agree with that, I have no objection to it, I will vote for it heartily, but it is the following clauses that I object to and I will frankly tell you why I object to them. I do not suppose that it is necessary to read these clauses but I shall read the summaries. This money is to be used to construct battleships or cruisers, the ships to be for the common defence of the Empire on terms to be arranged with the Imperial Government. The terms proposed, I understand, are that the ships are to be placed in the hands of the Imperial Government as soon as constructed, unmanned, and no provision made for manning or maintaining them. I frankly tell you, Sir, that I am unequivocally opposed to the last three clauses of the Bill, clauses 3, 4 and 5, and I will give my reasons why. You propose expending this money on wrong principles. The proposal is un-Canadian and not in the best interests of the Empire as a whole. You propose building three ships in that way, equipping them and placing them at the disposal of the Admiralty. This means that you leave the British taxpayers to bear the annual cost of maintenance which will be much more capitalized than the cost of the construction or value of the ships. You are actually, by this principle, asking the Brit-

ish taxpayer to do more regarding these three ships than you are doing yourself. I object again because you propose that the British taxpayer shall not only pay the cost of maintenance, but shall manage our property in time of peace. That is contrary to the principles of our Canadian constitution; it is contrary to the spirit and principles of true democracy, it is not self-respecting; it is not magnanimous; it is unworthy of a self-respecting, wealthy daughter-nation, and tends to weaken the golden chain that binds the dominions over the seas to the Crown. You say that these ships are for the common defence of the Empire, but I say that the conditions are unworthy of a wealthy and loyal daughter-nation.

We say on this side of the House that the money should be expended on two of the greatest ships in the world, and the balance on the necessary smaller ships of the most approved and latest type to complete two fleet units to be manned and maintained by Canada, and to be managed by Canada in time of peace in close connection with the Admiralty, our Canadian men to be interchangeable with men from the Royal navy, our ships, while in the zone set apart by the Admiralty, to be absolutely under our control in times of peace, patrolling the waters, as I said, set apart by the Admiralty, and when in foreign waters subject to the rules of the Admiralty as stated for the occasion. It seems to me that we could agree on some terms along this line. The Government of course would not be expected to altogether accept the suggestions of the Opposition, but inasmuch as the people of Canada have pronounced upon this matter, we ought not, in our own interest and in the interest of the Empire, to appear as a divided people. Is it not possible for us to come together on some plan whereby this matter can be disposed of to the credit of the Canadian people?

Let me submit another reason why I think my hon. friend the Minister of Marine and Fisheries ought to accept some proposal along the line of the unanimous finding of Parliament in 1909. The proposal that we on this side of the House make will have this effect: The argument of the Prime Minister for a vote of $35,000,000 to be used in the building of ships in the United Kingdom is based upon the plea that it is urgent, that there is need, that there is an emergency. I shall deal with that later on, but that is neither here nor there for the present so far as my argument is concerned. If there is an emergency we can deal with it as quickly and more efficiently by adopting the amendment moved by my right hon. leader (Sir Wilfrid Laurier) than can be done by the Bill before the House. If an emergency is in sight, the King in Council can place any one or more of the ships that are available at the disposal of the Admiralty for operation in the zone set apart for them, or if occasion should arise, they can place them along the firing line against the enemy, or in waters where our Empire's interests are subject to invasion and they can be absolutely under the control of the Admiralty while war lasts. In other words, if the emergency so much flaunted about is or will be at hand when two of our ships are constructed and equipped, they can be immediately placed at the disposal of the Admiralty; and also our sons who are trained to do naval service on board such vessels, and whatever men we are able to train in time, can be supplied by the Admiralty but paid by Canada. Then, following along the lines of the amendment moved by the right hon. the leader of the Opposition and the unanimous resolution of the House in 1909, we should energetically go forward with the construction of the ships in Canada, calling for tenders for the building of the smaller ships of the unit in Canada within a definite period. I say we should do more; it is not in the amendment, I admit; but we should call for separate tenders for the building in Canada of the two capital ships within a definite period, and a separate tender for building the said two capial ships in the United Kingdom within a definite period. When we got our tenders, we should act like men and put the work into execution at once. Then, let us act as a wealthy young daughter nation, with hearts overflowing with love and devotion to our Empire as a whole, indicated by the white flag that will be hoisted on the stern of each of our ships.

Let me refer the House to a matter that I think bears very closely on what I have already said, and that is this: The policy of Mr. Borden is in effect that the three ships proposed are to be manned and maintained by British taxpayers, also that the three ships are to be in addition to the regular programme of the British Parliament, and more than Prime Minister Asquith said was necessary to maintain the British standard of superiority. But don't forget, Mr. Speaker, that Mr. Churchill, speaking at the Shipwrights' dinner on the 4th of May last, made reference to the anticipated visit of Canada's representatives and said:

> If the main development of the past ten years has been the concentration of the British fleet in decisive theatres it seems to me and I dare say to you not unlikely that the main naval development of the next ten years will be the growth of the effective naval force in the Great Dominion over the seas. Then we shall be able to make what I think will be found to be the true division of labour between the Mother Country and her daughter states, that we should maintain a sea supremacy against all comers at the decisive point and that they should guard and patrol all the rest of the British Empire.

Mark the words, Mr. Speaker. Could there be words more definite, or stronger in support of the proposition made to the country by the right hon. leader of His Majesty's loyal Opposition? Could there be stronger words in confirmation of the unanimous vote of this House in 1909? These are the sentiments of Mr. Churchill as late as May last. Then, on the 22nd of July, the First Lord of the Admiralty made a speech in the House of Commons in which, referring to the visit of Mr. Borden and his colleagues, he said:

> Mr. Borden wished that the aid of Canada should be an addition to the existing progress, and that any step that Canada may take may directly strengthen the naval forces of the Empire—the margin available for its security.

Will hon. gentlemen note that in May Mr. Churchill spoke what seemed to be the views of the Admiralty—and this was shortly before the arrival of Mr. Borden in London—and that his speech of the 22nd of July was made after Mr. Borden had left London. Is it not a reasonable assumption that Mr. Borden sought the concurrence of Mr. Churchill along the lines of some policy that would not unduly conflict with the promises to repeal the Naval Act, and meet the emergency political exigencies of the occasion? Mr. Churchill said that the Royal Navy was keeping pace with the German navy, and also that his proposals were to increase the striking force of the navy with additional squadrons, and he did not propose making the navy stronger in the North sea than his present programme, because to do so would be unnecessary and wasteful. The Prime Minister of the United Kingdom, Mr. Asquith, on the same date, in the House of Commons, said:

> There never has been a moment and there is not now, when we have not been overwhelmingly superior in naval force to any combination that could reasonably be expected against us.

On the same occasion the leader of the Government in the United Kingdom stated that it would be but waste and unwisdom to build more battleships than those provided for in the Admiralty programme. Canada's programme was not then known, and his reference would not include the proposal in the Bill now before this House. Mr. Asquith said:

> I have always held that it is a very great mistake in such a shifting art as shipbuilding to make your provisions too far in advance, or you may find you are left with ships which are obsolete, out of date, and which are not really fit for the growing requirements and exigencies of naval warfare in which case you will have lost your money and will have to spend it over again.

It would seem that the Premier of the United Kingdom and the Minister of the Naval Department consider the programme of the Admiralty sufficient to cope with any reasonable expectation of emergency. The Prime Minister of the United Kingdom thus resisted an enlarged programme of building ships. We in Canada, I am sure, appreciate the fact that although this was the view of Mr. Asquith on the 22nd of July, when later the Government of Canada through the Prime Minister offered to build three ships and place them at the disposal of the Admiralty, the offer would be favourably commented upon, although it meant an additional burden to the taxpayer of the United Kingdom to man and maintain them. Thus it was heralded from one end of the Dominion to the other what a magnanimous proposition was made by Canada for the defence of the Empire. Mr. Borden stipulated that the three ships which he proposed must be in addition to the British programme, whereas, according to Mr. Asquith's speech, the British programme is sufficient to meet the situation as it now exists. In effect we put the burden on the United Kingdom to man and maintain three ships more than the Admiralty programme of the 22nd July provides for. That provision is made for some years in advance, and the United Kingdom is none the less bound to continue her building programme because of Canada's ships, because Canada stipulates that her three ships are to be extra. Is this the wisest course for a young nation like Canada to pursue? May we not surmise that Germany will take a hand in building one or two extra capital ships to meet the three Canadian ships which are to be over and above the British programme? That we should put the Empire in that position is not the wisest policy.

The right hon. the Prime Minister, in introducing the resolution and speaking in regard to the Bill before the House, gave as a reason for the Bill and for the resolution that we in Canada could not have a navy for twenty-five to fifty years. Is this statement warranted by facts? If the people of Canada can install a million dollar plant to build, in a specified time, one of the greatest bridges in the world, namely the Quebec bridge, is it a reasonable proposition that we in Canada cannot build the ships to make a start for a Canadian navy? If contractors of substantial means and long experience offer and bind themselves to build the ships here within a specified time, why does the Prime Minister threw cold water or a wet blanket on this laudable proposition to start steel ship-building in Canada, on a scale in keeping with Canada's advancement along other industrial lines? Our naval school cadets have recently practically all successfully passed examinations

in the United Kingdom. If Australia can maintain and man a fleet unit, and do so promptly, is it good statesmanship to say that Canada is not equal to such a task?

Another argument made to buttress the resolution and the Bill by the right. hon. gentleman is this: Why should we have a Canadian navy, when we can have the protection of the Royal navy and have our ships in the fighting line of the Royal navy? What do you think of a statement like that in the face of the statement made by the present right hon. gentleman who leads the House on the 29th of March, 1909, which was exactly the opposite. He stated that it was our duty, our self-respecting duty to do that. Now he says: Why should we have a Canadian navy? Let me answer first: Why should we not have a Canadian navy? Because we owe it to ourselves and to the Empire to have one. Canada has now reached the position of a wealthy young nation within the greatest empire under the sun. The people of Canada through their Parliament have pronounced unanimously in favour of expenditure along the lines of a Canadian navy, something that will take root and grow, something that will give tangible evidence of our love and devotion to our homes and our Empire. It is no argument to say that we have the protection to the Royal navy. We have had that since our childhood, in our days as colonies and in our venture as a union of colonies.

I wish to refer to one other statement that the right hon. the Prime Minister made to strengthen his argument in favour of the resolution and the Bill. He referred to the last clause in the memorandum of the Admiralty, which has been read several times in the House, and it is not necessary to put it on 'Hansard' again. There is not a suggestion in the last clause of the memorandum that it is not the part of wisdom to go on with the Canadian navy; the suggestion is that we should include capital ships. There is not a word about the number of ships. Bearing in mind the Admiralty's finding of 1909 and 1911, it means that the Admiralty suggests as the most effective way to give immediate aid would be to add capital ships to our programme. The clause does not suggest giving these ships to England to man. There is not a hint in that last clause that we are to hand these ships over to the Admiralty in time of peace, to be manned and managed by the Parliament of the United Kingdom instead of the Parliament of Canada. May we not assume that the proposition to build two capital ships of the description set out, to be manned and maintained in time of peace by Canada, is what the Admiralty preferred. It is just what Mr. Winston Churchill stated as late as May last. I am sure Canada can well afford to add two capital ships to the programme of the Navy Act on the statute book, and in doing so we are following along the lines set out in the memorandum. There is no authority in the memorandum for saying that the United Kingdom asked us to build and hand over in time of peace these capital ships. More than that, if there be an emergency in sight, when the two capital ships mentioned in the amendment moved by the Right Hon. Sir Wilfrid Laurier are completed, the Governor in Council has authority to hand them forthwith to the Admiralty, if emergency is in sight. Is it not more businesslike for a rich young nation like Canada to build, man as far as possible, and maintain her ships in time of peace and, if unfortunate war ever comes, then our ships and men will be under the management of the Admiralty? From the remarks made by the right hon. gentleman in reference to the Defence Committee, I gathered that he had come to some arrangement, which had not been previously effected, whereby Canada should be represented on that Defence Committee. If I am wrong, I ask to be excused, but I certainly drew that conclusion from the remarks of the right hon. gentleman, I find, as a matter of fact, that

> The unanimous view of all those present at the Imperial conference on May 30, 1911, was that the representation of the dominions should be not by the High Commissioner but by ministers who would be responsible to their own colleagues and Parliament.

If the hon. gentleman in his speech conveyed the idea that he had arranged with the British Government for Canada's representation on the Imperial Defense Committee, it was an error, because that had been arranged before the hon. gentleman went to London last summer.

I have here a number of quotations from speeches made in the British Parliament, affirming the idea that the superiority of the naval forces of United Kingdom on the North Sea is beyond question. I shall not take up the time of the House by placing them on 'Hansard,' as they are, in effect, along the lines of Mr. Churchill's speech at the shipwrights' dinner, as well as the statements he made on July 22.

I now desire to make brief reference to a few remarks made by hon. gentlemen opposite. I never sat in this House and listened to a more partisan speech than that made by the hon. member for York, N.B. (Mr. Crocket), whose remarks, to my mind, were not a proper criticism of the subject matter before the House. In speaking to one of the clauses of the amendment, he said:

> That clause contains one statement of fact, which is untrue. It states that the Naval Service Act of 1910 was passed in pursuance

of the resolution passed unanimously by this House in the month of January, 1909.

I think this should be March, 1909.

The resolution of 1909, which has been quoted again and again in the course of this debate, required, and did so very plainly and distinctly in connection with any naval service that might be organized in Canada, that it should be in asssociation with and in close relation to the British Admiralty, and on lines suggested by the British Admiralty.

If a fleet unit is placed by Canada in the Atlantic zone, what does it do? The Admiralty has set apart certain waters which extend farther south than Bermuda. and is within easy reach of the other West India Islands and Newfoundland. If the Canadian Pacific zone is patrolled by Canadian squadrons, it will most asssuredly relieve the necessity of sending a further unit to the Pacific from the Royal navy, and thus give further superiority at home, and the movements of the other British squadrons will not be required in the Pacific zone, in time of peace at any rate. I refer hon. gentlemen to the speech of the Minister of Trade and Commerce, page 1413 of 'Hansard,' where they will find that he said in effect that Canada could have played a great part in the protection of the Empire if she had joined with Australia and carried out the suggestion of the Admiralty and built a fleet unit for the Pacific. He also stated that the placing of these squadrons in the zones would directly promote the security of the dominions adjacent to the several zones, and protect our trade routes on the Atlantic and Pacific. I would ask hon. gentlemen to note particularly the fact that the hon. gentleman stated the motive of Sir Wilfrid Laurier, the right hon. gentleman who leads His Majesty's loyal Opposition, to be a false Imperialistic colouring to the Opposition schemes. In other words, he claimed that what Sir Wilfrid did was to put a false Imperialistic colouring upon the Opposition scheme. In reality, he says, they but accentuate the separation between Canada and the Empire; such a statement, is unworthy of criticism. He says forsooth that what the right hon. the leader of the Opposition did accentuated the separation of Canada and the Empire. He laid great stress on what he called a useless separatist Canadian navy and upon the fact that we were protected by the prestige of the Royal navy. Who on this side of the House said that we were not? We have always been protected by the prestige of the British navy. We are to-day; we always will be. More than that, the joint fleets on the Pacific would probably be almost equal to any one power. In the same way if our fleet units were attacked by a stronger power we could not expect to win. But listen to what the Admiralty has to say to that. Hon. gentlemen lay great stress on the statement that a Canadian unit on the Atlantic and on the Pacific would be useless and wasteful and separatist. Let us hear what the Admiralty have to say on that. After bringing forward at the conference in 1909 their suggestion as what Canada should do, namely to put a fleet unit on the Pacific ocean, they add these words:

Such a fleet unit would be capable of action not only in the defence of coasts but also of the trade routes and would be sufficiently powerful to deal with small hostile squadrons should such ever attempt to act in these waters.

That is the answer to the hon. member for York. He said that we proposed a useless separatist navy, the Admiralty and the Imperial conference agreed together that such a fleet unit as we now propose on the Pacific and on the Atlantic would be capable of action not only in the defence of the coasts, but also of the trade routes, and would also be sufficiently strong to deal with small hostile squadrons should such ever attempt to act on these waters. The hon. member for York in effect says that the real issue of the naval question is the safety of the Empire. So say I. But when the hon. gentleman was speaking and waving the flag by such unwarranted statements he showed a more active partisan spirit than in my opinion should be exhibited in a debate on this subject. Speaking of one section of the Bill he said that the Opposition proposed what they failed to do themselves when they were in power, to go actively and speedily on with the programme called for by the Naval Service Act of 1910. Is that true? I say it is not, and I shall attempt to prove it. The statement is not borne out by the facts. He knows full well that the unanimous resolution of this House of the 29th of March, 1909, advocated enthusiastically the speedy formation of a Canadian navy. After this resolution, members of the Government proceeded to London, and, together with the Admiralty, framed a plan for the prompt construction of a navy that the hon. member says would be a mischievous navy. If that were true who were the guilty parties? The Admiralty would be equally responsible for agreeing or acquiescing in the proposal to form this mischievous navy. The Australian Commonwealth agreed to such a navy. Arrangements were completed for going on with the construction in 1911, when the dissolution came and the Government was defeated.

Hon. gentlemen will note that the statement is made that the two so-called fleet units were to be built, manned, maintained and controlled by Canada without co-operation, without reference to the British Admiralty. The hon. gentleman is so partisan that he does not say if this is in time of peace or

in time of war. If in time of peace why should we not manage our own property, our servants, paid and victualled by us? If in time of war, the hon. gentleman ought to have said this so-called navy can be—for my part I should say will be—at the disposal of the Admiralty and managed by the Crown for the defence of the Empire. He knows that the laws governing our so-called separatist navy are the same as those governing the Australian navy. I was reminded, when I listened to that partisan speech of the hon. member for York, N.B., of the beautiful, pathetic closing appeal of the right hon. leader of the Government, that pathetic appeal in such large headlines in the Montreal Star: 'Save Canada for the Empire,' wafted through the air from Montreal east to the Sydneys and west to the Pacific coast. I do not wonder that the proprietor of the Montreal Star takes the credit of bringing the Conservative party into power. I wonder when the High Commissionership is going that way? An hon. gentleman tells me that he is to be made a lord, I understood it was to be the High Commissionership. But what I want to draw to your attention is that when the hon. member for York, made that partisan speech I could not help thinking of that pathetic closing appeal at the time of the election, 'Save Canada for the Empire.' The hon. member for York says that the Liberals proposed a useless separatist navy, that the Bill before the House means the defence of the Empire, or in other words saving the Empire. The hon. member for York, N.B., made an allegation which he did not buttress with any logical argument, he stated that the Canadian navy was a separatist one; but did not give one good reason for making such a charge.

The hon. member for Frontenac made the same charge, and stated that the Government plan was imperialistic. What did the Montreal Star say? This is the whole matter in a nutshell. That is what the likely High Commissioner of Canada said. If that is not partisan politics in a matter like this, I do not know what it is. Now I want to make one or two further remarks regarding what the hon. member for York, New Brunswick (Mr. Crocket) has said. I am sorry he is not here. He read part of section 7 of the Admiralty memorandum, but he failed to read the remaining portion. Let me read to the House the balance of the section. This is what the Admiralty say to the people of Canada in presenting their memorandum:

> The rapid expansion of Canadian sea-borne trade, and the immense value of Canadian cargoes always afloat in British and Canadian bottoms, here require consideration. On the basis of the figures supplied by the board of trade to the Imperial Conference of 1911, the annual value of the overseas trade of the Dominion of Canada in 1909-10 was not less than £72,000,000, and the tonnage of Canadian vessels was 718,000 tons, and these proportions have already increased and are still increasing. For the whole of this trade wherever it may be about the distant waters of the world, as well as for the maintenance of her communications, both with Europe and Asia, Canada is dependent, and has always depended upon the Imperial navy, without corresponding contribution or cost.
>
> Further, at the present time and in the immediate future Great Britain still has the power, by making special arrangements and mobilizing a portion of the reserves, to send, without courting disaster at home, an effective fleet of battleships and cruisers to unite with the Royal Australian navy and the British squadrons in China and the Pacific for the defence of British Columbia, Australia and New Zealand. And these communities are also protected and their interests safeguarded by the power and authority of Great Britain so long as her naval strength is unbroken.

In the face of that statement in the memorandum now before the House the hon. member for York has the audacity to tell the people of Canada that we do not need a navy, that it would be a useless navy and a separatist navy. The hon. member for York, it would seem to me, is opposed to the placing of any vessels as a Canadian navy. Earlier in the debate some hon. gentleman made the insinuation or innuendo—I think it was the hon. member for Kingston (Mr. Nickle)—that if there was war in any part of the world, in which the British Empire was interested, posisbly our navy would not be on the scene. To me such an idea is unthinkable, and I think it would have been very much better left unexpressed on the floor of Parliament. But I shall deal with that later on. The hon. member for York is reported on page 3704 of 'Hansard,' to have said:

> The right hon. leader of the Opposition has succeeded in securely and firmly laying and fixing in this amendment his pet idea of a distinctive exclusive, and separative Canadian navy.

I do not think that such sentiments should really be taken notice of. Now, let me answer some of the allegations made by the hon. member for York to the effect that this is a separatist navy, which would not be in close connection with the Admiralty and the Royal Navy. I cannot do better than read to the House the sections of the memorandum to the Conference of 1911, submitted and approved by Canada and Australia, because the words absolutely contradict what the hon. gentleman for York alleged. Let me read a few of the sections, they are not long. The very first section says:

> The naval service and forces of the dominions of Canada and Australia will be

exclusively under the control of their respective governments.

2. The training and discipline of the naval forces of the dominions will be generally uniform with the training and discipline of the fleet of the United Kingdom, and, by arrangement, officers and men of the said forces will be interchangable with those under the control of the British Admiralty.

Paragraph 3 says:

The ships of each dominion naval force will hoist at the stern the white ensign as the symbol of the authority of the Crown, and at the jack-staff the distinctive flag of the Dominion.

And yet hon. gentlemen opposite go over this country hoisting the flag and crying one flag and one navy while the Government of the day by Order in Council have accepted the proposition that the ships of the Canadian and Australian navies shall hoist the white flag at the stern as a symbol of the authority of the Crown, and their distinctive flags at the jack-staff. Then section 4 reads:

The Canadian and Australian governments will have their own naval stations as agreed upon and from time to time. The limits of the stations are as described in schedule (A), Canada, and schedule (B), Australia.

A large part of both the Atlantic and Pacific oceans is set apart by the Admiralty for the two Canadian units. Then section 6 says:

In the event of the Canadian or Australian Government desiring to send ships to foreign port, they will obtain the concurrence of the Imperial Government, in order that the necessary arrrangements with the foreign office may be made, as in the case of ships of the British fleet, in such time and manner as is usual between the British Admiralty and the foreign office.

Let me skip a number of the paragraphs and read the three closing ones. Notwithstanding that these facts were before him, the hon. member for York had the audacity to tell the people of Canada that the proposed navy was not along the lines of the resolution and that it would not be in close connection with the Admiralty.

Section 15 reads as follows:

15. It is desirable, in the interests of efficiency and co-operation, that arrangements should be made from time to time between the British Admiralty and the dominions for the ships of the dominions to take part in fleet exercises or for any other joint training considered necessary under the senior naval officer. While so employed, the ships will be under the command of that officer, who would not, however, interfere in the internal economy of ships of another service further than absolutely necessary.

16. In time of war, when the naval service of a dominion, or any part thereof, has been put at the disposal of the Imperial Government by the dominion authorities, the ships will form an integral part of the British fleet, and will remain under the control of the British Admiralty during the continuance of the war.

17. The dominions having applied to their naval forces the King's regulations——

Yet the hon. gentleman says that we have no connection whatever with the British navy.

—the Admiralty instructions and the Naval Discipline Act, the British Admiralty and Dominion Governments will communicate to each other any charges which they propose to make in those regulations or that Act.

I want to know if that does not effectually refute the argument of the hon. member for York, N.B. These clauses I wish to tell the hon. member for York, allow and permit in the fullest degree consolidation and co-operation. Admittedly there is not a word suggesting that the fleets of the daughter nations shall automatically become units of the Royal navy. When I read these paragraphs I say that there was not one word saying that our ships shall become automatic units of the Royal navy on the outbreak of war. This disposes of the matter referred to by the hon. member for Kingston but it is practically submitted that such a clause is not required. If we want to help no such profession is necessary. Our spirits, our hearts, go out towards the Motherland, as a loving, loyal daughter would help a loving, loyal mother. So will we voluntarily and of our own initiation bravely and lovingly fly to the rescue of the Motherland if, the unfortunate occasion ever arises. As citizens of the Empire we ought to exert ourselves for the protection of our mutual interests. If the decisive theatre is to be in the North sea, or the Pacific, let us get ready to do our full duty should the occasion arise. Canada has defaulted from her engagement to co-operate with Australia in putting a fleet of ships upon the Pacific. Canada has chosen a downward course. The responsibility for the abandonment of this programme, to which Canada was in honour bound, rests upon the Government. The right hon. the leader of the Government not only intimates that we cannot have a Canadian naval service for twenty-five or fifty years, but he makes no provision for effectively training men for the service in Canada.

Hon. gentlemen have over and over again said that men to man our ships are not available in Canada. I tell them they do not appreciate what can be done by Canada in that regard if an opportunity is given them in this matter. Australia is making marked progress in manning her fleet. It is reported that 3,225 cadets are training for the citizen naval forces reserve. It is interesting to the House to know the approximate strength of naval power on the Pacific:

	Ships.	Tonnage.
Great Britain..		50,000*
United States..	6	81,500
Germany..	2	23,500
France..	2	15,000

* Including Indomitable.

Japan is practically the only power owning any battleships in Pacific waters. Japan has twenty-seven heavy armoured ships, twenty battleships and battle cruisers and she also has seven capital ships building. It is alleged that she is beginning a large programme.

The hon. member for York, N.B. (Mr. Crocket), claims that a Canadian fleet unit on the Pacific coast would be useless and separatist. It seems to me that it is most important that we accept the proposal of the Admiralty and place in the Pacific ocean one unit or as many ships as can together with other dominion and Royal units make a formidable fleet. Our Canadian, Australian, and British interests should foster in us a desire to make our Empire interests in the Pacific secure. Perhaps we require supremacy in the Pacific as much as in the North sea. Can England trust Ireland, Scotland, or Wales? She can, and she can trust her loyal daughter nation; we are all one in heart and name. Let us encourage self-reliance and foster confidence; then, and only then shall we do our full duty and give our sons and our means in defence of home and empire. In the words of the Conference memorandum, let the white ensign float as the symbol of the authority of the Crown, and our Canadian flag at the jackstaff on the ships of our Canadian fleet. Hon. gentlemen ought to bear in mind that the right hon. the Prime Minister and his Cabinet have confirmed this Imperial Conference memorandum. Let the action of the Government put an end to the inuendos of hon. gentlemen opposite that they are for one flag. Let them hoist the British flag, and say it is the talismanic flag of all loyal Canadian hearts.

Now, Mr. Speaker, I want to say a word or two regarding the remarks of the hon. member for North York (Mr. Armstrong). I would ask the hon. gentleman if he were here how he squares himself with the policy enunciated by the hon. member for York, N.B. The hon. member for North York said that if he believed there would be a further contribution, he would not vote for this Bill, and if there is to be no further contribution, surely there is to be a Canadian navy, which the hon. member for York, N.B. said is useless, and that it is but waste of money to put it into ships that form a Canadian navy. My hon. friend from York, N.B., and the hon. member for Brantford (Mr. Cockshutt) are sailing in the same boat. The hon. member for Brantford said:

> There is a very sharp line drawn between the naval policy of the Conservative party, as announced by the Prime Minister and the naval policy of the Liberal party, as set forth in the resolution of the right hon. leader of the Opposition. The Conservative policy follows the line I have suggested of making contributions to maintain the supremacy of the British fleet upon the high seas, and the Liberal policy of to-day seeks to enlarge somewhat on the Liberal policy of 1909 as embraced in the Naval Service Act of Canada.

So I say that the hon. member for North York and the hon. member for York, New Brunswick had better consult together and see if they cannot come to some arrangement because their views on this question are certainly diametrically opposite one to the other. I now want to refer to some remarks made by the Minister of Trade and Commerce. At page 1413, 'Hansard,' the Minister of Trade and Commerce said speaking of the Admiralty:

> They made a generous proposition and a most effective proposition. They said: if Australia will build a unit and if New Zealand will do her part as she promised to do, Great Britain will add what is necessary to make Newfoundland a unit and China and India also a unit. Then if Canada will add her unit, these four units, these fifty-four vessels headed by four great fighting machines will be devoted to the unprotected Pacific coast and will aid the Imperial fleet to the greatest possible extent to which aid can be given.

Mr. Speaker, these are the words of the Admiralty as to the efficiency of a Canadian unit on the Pacific coast. To all intents and purposes the Minister of Trade and Commerce supports that view; he practically concurs in that doctrine.

Mr. GRAHAM: He is in favour of a Canadian navy.

Mr. LOGGIE: Yes, he is practically in favour of a Canadian unit on the Pacific coast, and the Admiralty says that the unit will aid the Imperial fleet to the greatest possible extent to which aid can be given. But the Minister of Trade and Commerce twitted the Government of Sir Wilfrid Laurier because they did not take up a complete unit and place it on the Pacific coast, and he said that in that we lost our opportunity. Let me say a word or two about that. In the Pacific ocean we propose taking one complete unit, as Australia is doing, and probably she is doing more in the Australian zone. These two units, together with the New Zealand, the Imperial Government, and the China and India units will give the Empire, as Mr. Foster says, fifty-four ships headed by four great fighting machines. And yet hon. gentlemen opposite say that this is a separatist navy, and that there is no co-operation in it. This Pacific fleet unit will cost Canada, including maintenance and sinking fund, about £600,000 annually or $3,000,000. Of

course, that does not mean the ships only; that means something more than simply the hull and the armament, it means the men and it means the maintenance of the ships. But mark you, Mr. Speaker, the Minister of Trade and Commerce twitted the Laurier Government because this proposition of the Admiralty was not accepted. He did not give a reason. Was it not accepted because it would cose £600,000 per annum or $3,000,000? Was that the reason? Hon. gentlemen ought to know that it was not the reason. We did not object to the £600,000 annually. But it was well said and it was fully understood and was acquiesced in by the Admiralty that there was a difficulty in placing two complete fleet units on the two seacoasts of Canada at that time, because if two complete units were started upon, it would mean an annual expenditure of not £600,000 but £1,200,000. What the Canadian Government did was to accept that proposition of $1,500,000 per annum and to devote that money to the construction of the smaller ships, a nucleus of two fleet units, in fact all the ships except the one for each unit of the dreadnought type. These difficulties were in the way at that time. Why should I say that there were difficulties in the way at that time? Hon. gentlemen who were in the House in 1907 and 1908 will remember that the Minister of Finance suggested to the people of Canada that they ought to draw the cords, because the financial situation in the Old Country was not very optimistic. The hon. Minister of Finance was, I might say, pessimistic on that occasion. He advised caution; he put in operation caution; and it was only in the following year that the finances of the country resumed their normal state. Therefore, the Government of that day had good reasons for not accepting the proposition of two complete units on that occasion at a cost to Canada of £1,200,000 annually, equal to about $6,000,000. If the Government of the day had accepted the proposition of the British Government for a fleet unit on the Pacific Coast, what a howl there would have been on the Atlantic seaboard that nothing had been done for the protection of commerce on the Atlantic. The Government of the day acted wisely in the interests of Canada. To-day conditions have changed. During the past two years we have had unprecedented prosperity in the history of Canada. We have a surplus in the treasury of some $30,000,000, enough to build these ships. We have a billion dollars of trade, and we can well afford to add to the naval programme one great dreadnought ship in order that we may make these units complete on the Atlantic and the Pacific coasts. The hon. Minister of Trade and Commerce, when he brought that statement before the House, hardly treated it with that respect which it ought to have. The arguments of the hon. Minister of Trade and Commerce for a Canadian navy in 1909 were complete, and supplemented by the Admiralty memorandum as quoted by him and read by me on this occasion, are unanswerable in favour of a Canadian navy. His argument as to the effectiveness of a Canadian navy on the Pacific in 1913 is conclusive. Hon. gentlemen opposite, who say that the hon. Minister of Trade and Commerce has said everything on this question, should stand by what he has said as to the need of a fleet unit on the Pacific coast. If he has not said so directly, he has said so by inference. If the proposal was good in 1909, it ought to be better in 1913, because the difficulties in the way of making it effective in 1909, are now removed by our increased revenue, prosperity and education along these lines. If in 1909 we had accepted the proposition of one unit on the Pacific and not a dollar for the protection of our interests on the Atlantic coast and Atlantic ocean routes, what a howl our friends opposite would have raised.

I want to say a word about the separatist policy. In view of Mr. Foster's statement and the Admiralty finding of 1909, is a Canadian navy of one unit in the Canadian Pacific zone not capable alone of meeting small hostile squadrons, and protecting Pacific ocean trade routes; and in time of war, together with three or more additional units in that ocean, capable of presenting a front of fifty-four of the greatest modern vessels comprising four units? If, as the hon. member for York (Mr. Crocket) alleges our navy is a useless one, our fleet must be a useless adjunct to an Imperial fleet, under one head and one management. This is exactly what we propose for the Pacific coast. This fleet that the hon. gentleman alleges is a useless one, the Admiralty say is just what is required. We are willing to tax ourselves as Canadians to the extent of approximately $3,000,000 annually for the Pacific unit, and we will do the same for the Atlantic unit; yet hon. gentlemen opposite propose taxing the people of Canada about a million and a half dollars annually, because that will pay the interest and the sinking fund on the cost of these three ships. The policy we propose is as imperialistic as the policy proposed by hon. gentlemen opposite. I say that it is not a separatist policy, and I ask the hon. member for York and the hon. member for Frontenac to consider, weigh and digest the matter not as partisans, but as men who love honour and self-respect. The soil of Canadian hearts is good. Let us foster, cultivate and develop those principles that will cause our hearts to beat for the consummation of

that which will make our Empire increasingly the greatest power for peace and good-will in the world. The Minister of Trade and Commerce further said, page 1441 of 'Hansard':

You make your fleet construction, tediously and lengthily, extending, perhaps, over a period of six or seven years, finding it impossible to obtain Canadian seamen to man it, because you have to train men as well as get them. In the event of such a consummation, and if the day of Armageddon came and caught us napping, I would like to have the consciousness that I am free from the thoughts which would lie heavily upon me if I had been party to or contributed in that delay.

I take issue, Mr. Speaker, with that statement. I say we can give more effective aid under the original Naval Act than can be rendered under the present Bill. If we have no sufficient seamen trained to man our ships when completed, the shortage can be supplied by the Admiralty at our expense. If our two dreadnoughts are constructed in England, they can, if an emergency is in sight, be placed in the fighting line as quickly and more efficiently than under the present Bill, because our proposition provides for training men and officers, and this Bill does not. If the day of Armageddon comes it will not find us napping if the policy of the Liberal party is energetically carried out. The policy we advocated in 1909 is the self-respecting one, and it can be made effective at as early a date as the plan suggested by the present Bill. As has been stated by Mr. Asquith, our security is paramount.

I regret that the Minister of Trade and Commerce is not in his seat, but I am glad that he is performing a great duty; he is indeed well qualified to do so. The hon. gentleman further stated:

My right hon. friend says further that this product is a hybrid, bred of Tory jingoism and Nationalism. They have been together, and this is the result, I am puzzled. Suppose it was, does it make much matter if the rich fruit on the tree comes from one soil or another, is tended by one gardener or another, or by two, provided that the apple itself, in its flavour and quality, is all right? Had not my right hon. friend better savour the apple instead of chemically, or otherwise, analyzing the soils out of which it has sprung? But, I am puzzled besides. He says that this is the result of an unholy alliance between the Tories and the Nationalists. Well, I come back to his speech, and what does he say? Immediately this resolution was passed dissension broke out in the Liberal-Conservative party; there were two sections, one section wanted a contribution only and no navy, the other section wanted neither contribution nor navy. If there was a choice at all, one section was for the Canadian service, while it utterly abhorred the contribution. Then, he said that this is the result of an unholy alliance between the Nationalists and the Liberal-Conservatives. If it is the result, who won? After which parent does the child take its traits? Here is a measure which says contribution; the Nationalists damns contribution, will have none of it. Evidently he did not get his way. How then does the right hon. gentleman argue it out that this is the result and that Nationalism has been triumphant when the very thing that the Nationlist abhors is embedded in the Bill and the very thing that he might look upon with favour—a Canadian service—is not included in the Bill? I take exception to the statement, but I am taking my right hon. friend on his own ground. He says that there is no permanent policy, but that it is all contribution. If that is so, however the antecedents may have been. the Nationalists did not get the victory in the matter. That is certain.

The hon. Minister of Trade and Commerce, who is an expert at drawing upon the imagination, admits that the product is a hybrid one, bred of Tory jingoism and Nationalism. He says in effect that a consultation has been held, and the contribution proposal is the result—and he goes on to analyze the product and its parents. Does it matter, he asks, if this policy is the product of those who cultivated a no-expenditure soil for naval expense and Tory jingoism? He says in effect that it does not matter what soil is fertilized, or who is the gardener, so long as the apple itself, in its flavour and quality, is all right. What does it matter, he asks in effect, if the King's advisers are diametrically opposed to one another on the principles of naval defence? The hon. minister goes on and says:

If the Bill before the House is the result of an unholy alliance between the Nationalists and the Liberal-Conservative, who won? After which parent does the child take its traits?

How does Sir Wilfrid argue it out, he asks, that Nationalists have been triumphant, when the very thing the Nationalist abhors is embodied in the Bill, and the very thing he might look upon with favour, a Canadian service, is not included in the Bill?

I have said that the minister is an expert in drawing upon his imagination, and putting in word pictures that can be used to suit the occasion. He says the Nationalists did not get the victory. Let us see if this allegation is true. The Nationalists are the victors in this hybrid product. I say that although Mr. Monk was pledged to do nothing without the people passing upon any form of naval expenditure, the football grew and grew until at last it cracked and Mr. Monk escaped unstained. Watch the patching since and to be. This opposition, hon. gentlemen will not forget, was because Nationalists were bitterly opposed to the policy of a Canadian navy, as promulgated by the Liberal party. He promised its repeal. The Nationalists have

won by forcing the Government to give notice of the repeal of the Canadian Naval Act. They have won by changing the attitude of the Government as to manning our ships with our sons. In spite of this, the minister says the Nationalists did not get the victory.

I do not think the important question uppermost in the mind of the Minister was: Who won? but: Who will win next time, and with what ammunition? So he put in the motion ideas or ammunition that might be of use in a double-barrelled gun, as only a man of his imagination could. I imagine that if an election were called on in the near future hon. gentlemen could, with this statement in their pockets, explain that the hon. minister said on the floor of the House what would suit the special soil they wished to cultivate. In one place they could say that the Nationalists did not get the victory, and so that you could or your friends could load one barrel, the gun could be loaded with effective ammunition for that locality. You, Mr. Speaker, know the right soil to fire this ammunition into, that soil that has for its motto: 'equal privileges for all and special privileges for none.' That fertilizer would be effective in certain soils if used with the skill of our friends; but would it not be dragging high principles unduly into party politics, degrading the highest of high principles in order to retain control of the treasury benches? It takes time to get above using such means for political ends.

But, now, Mr. Speaker, let us load the other barrel of the gun with the effective ammunition available. Suppose, for example, the Postmaster General has charge of the loading: Promise to repeal Act. The first instalment is, in a general way: We won; our promise to have the Act repealed is practically fulfilled; notice of repeal is given and the Act is non-effective now, so we won; you people were right in sending us to Parliament and, although we had a hard time, especially when I was on those fine ships, I would really like to have had some such ships, Quebec ships. Yes and I say, mes dames et mes hommes, we won. We are giving some money to England to build ships. This is not very important to you, mes dames et mes hommes. It means only a trifle of taxation to you. We are not a very large proportion of the population of Canada, and the tax is not capitalized at more than 20 cents per head per annum of the population of Canada. That is not much, and you do not have to give your sons to be disembowelled on Canada's ships in European wars. Who won? We won. Mr. Foster said the Nationalists were not victorious, but he was speaking for effect in such soil as Ontario, you know, mes dames et mes hommes, that we won.

If this is a separatist policy, is it not marvellous that that argument comes from no other quarter than those supporting the Conservative party in Canada? The bald statement is made by hon. gentlemen opposite, not supported by any argument, that the resolution is imperialistic, that one flag is attached to the resolution. Why do hon gentlemen allege by innendo that members on this side of the House are for another flag? That was the cry. After that meeting of the hon. the Prime Minister in Halifax a quarter of the front page of the Halifax Herald was filled up with a large red flag. I suppose that was the flag of the Conservative party, that the Liberal party had nothing to do with it. It is time we got over this spirit of twitting one another across the floor of the House as to disloyalty to the flag of the Crown that we so much love. While it is true that the dominions owning and managing a fleet unit or small ships can fly the flag of authority of our several dominions, hon. gentleman know that the finding of the Admiralty in this regard has been approved and ratified by the Government of the day. If Canadians in foreign lands can say that the British flag is their talisman, surely there is not a Canadian in this young British nation who would say that the talisman flag of the Empire is not their glory, pride and protection at all times. Sending three ships into the fighting line of the Royal navy without our sons being on them would not be inspiring to the Canadian people. The effect would not be so inspiring as if our sons were fighting on our ships to defend our talismanic flag. I am reminded of the enthusiasm in my own town when the war was on in South Africa. A number of young men from my county went out to the field of battle, and when they returned we did the becoming thing. We called a public meeting and presented each of those young men with a gold watch. On that occasion I was mayor of my town, and the scene was an inspiring one. Such would be the case, if our own ships came in sight of the city of Quebec. I was present on the occasion of the tercentenary celebration, and from the Dufferin esplanade I looked down on the noble ships, and afterwards took an opportunity to go on board one of them. If our own ships with our own men on board came to the province of Quebec I am sure they would enthuse us as a loyal Canadian people, representing as we do the brightest and the richest of the young daughter nations in the greatest Empire under the sun.

Mr. Speaker, may I sum up my remarks? I give the following reasons for favouring legislation along the lines of the resolution of 1909 which was the unanimous finding of the two great parties in Canada: Because if made effective it would take the matter of sea defence out of partisan politics where

the promoters of the Bill before the House, to their shame, have placed it; because it is in accordance with the naturally expressed desire of the people of Canada, as represented by the two great parties in 1909; because the British taxpayers are asked by the Government's Bill to do what we are able to do as well as they, namely—to pay cost of maintenance; because our revenues enable us to pay the cost of maintenance as well as construction; because other dominions in a like position to ourselves are undertaking in self-respect to maintain and manage in time of peace the ships they construct; because we are the greatest and wealthiest young nation within the greatest Empire under the sun, and ought to put on our manhood and do our part in maintaining the supremacy of the sea-power of the Empire; because the two capital ships can be constructed complete in the United Kingdom as quickly under the policy of the amendment as under the Bill before the House, and can immediately be placed in the fighting line of the Royal navy in the North sea, should the unfortunate occasion arise, or be at hand when the construction is complete; because the people of Canada decided to construct a Canadian navy, and the Act authorizes construction in Canada while the amendment now before the House adds to the Act the authority to construct two capital ships which can be constructed forthwith in England. Thus if an emergency proves to be well grounded we will be fully prepared to do our part by supplying two of the latest capital ships and placing them in the fighting line as quickly as is possible under the Bill before the House; because I believe the constructing and maintaining our ships is more in keeping with the dignity and responsibility of an autonomous nation. Having a double sea board, and an immense export trade in food supplies over the two oceans that wash our shores, the burden of protection of these trade routes rests upon us in an increasing manner, and will do so still more in the future, if the present naval activity is maintained.

Now, I have a word or two to say in reply to those who claim that the Government policy is an Imperialistic policy. One flag, one navy, that is the cry of some members opposite, and especially of the hon. member for York who, in his partisan speech pronounced the Canadian navy to be useless. This was in the face of the Order in Council by the Government of the Dominion agreeing to the principle that two flags shall be used on navy ships of the dominions, in confirmation of the Admiralty plan. If this be true, the Admiralty and the Australian Commonwealth must be disloyal, because both are pushing forward a navy to fly two flags. The Admiralty plan must be a separatist one, if there is any foundation for the allegation that a Canadian navy is a separatist navy. As I have said, already, the project of a Canadian navy was agreed upon unanimously in 1909. The proposition of the hon. the Minister of Trade and Commerce, then in opposition, came before the, House, and the Government agreed to the resolution, and to an amendment based on the resolution. Then the temptation which came to the right hon. the leader of the Government, then leader of His Majesty's loyal opposition, not to make party capital out of it was too great; he was conquered. He joined issue with Mr. Monk, and voted in favour of the matter being placed before the people, before the proposal of a Canadian navy was made effective. The then leader of the Opposition at that time made the mistake of his life. He could then have kept the question out of the strife of party politics, but he did not do so when the election came on, and he joined hands with those who fought against navy expenditures.

The elections on reciprocal trade took place, an opportune time to test the strength of those in the province of Quebec opposed to navy expediture.

The correspondence between the Prime Minister and the ex-Minister of Public Works clearly demonstrate the understanding Mr. Monk had of the matter. I say it was the mistake of Mr. Borden's political history to identify himself with the men df any party who were not in touch with the unanimous resolution of Parliament on this momentous question.

The principle having been unanimously adopted by Parliament it was, in my opinion, quite improper to bring it into the strife of party politics.

I say, get this momentous matter out of political strife. I would not, however, speaking for myself, concur in a plebiscite. Shall we or shall we not undertake navy expenditure? I consider this has been settled by the unanimous resolution of 1909. The only real question is how we can best and effectively fulfil our duty to ourselves and our empire, our homes and our King. The taunts that a Canadian navy is a separatist policy and that contribution is an Imperial policy is unworthy of a loyal Canadian making it. And the man who preaches this doctrine does not, in my opinion, realize the wrong he is doing to the empire he loves, as much as I do. A Canadian fleet that is owned, manned and controlled by French, Irish, Scotch, English and German Canadians, as well as Canadians of other nationalities, will make us all the more loyal to our King and Empire, because we are the freest people in the world. We are more democratic than are the citizens of the United States under laws that protect life and property more effectively than those of the

United States. The voice of the people under our constitution is made effective in a few days, as was the case on the 21st September, 1911, which cannot be said for the constitution of the United States. What has any country in the world that our people cannot have under our laws? Why would any of us be separatists, and why would we want to be separatists? One of the leading daily newspapers of Montreal, speaking of the two policies, set out that the Liberal policy was a separatist one, and the Conservative policy an Imperialistic one, adding that this is the case in a nutshell.

Do the men who advocate this doctrine really mean what they say? Was Parliament all wrong when it passed a unanimous resolution in favour of a Canadian navy? Were the right hon. leader of the Government and the hon. Minister of Trade and Commerce then separatists? The criticism is not statesmanlike, it is partisan, it is political, it is out of place in this great undertaking of Canadians. Let us once for all rise to the occasion and place the two propositions before the people of Canada for their finding. If this cannot be accomplished then let us have the permanent policy now and come to some understanding that it can pass the House unanimously. This policy should be based upon the unanimous resolution of 1909. This can be done by the Government of the day without any sacrifice of dignity or prejudice.

Let me tell you what, in my opinion, is the probable effect of the Bill before the House.

Negatively:

It indefinitely postpones a permanent naval policy for Canada, the oldest and wealthiest young nation of the Empire.

It contributes ships unmanned.

It leaves our shores on each sea-board, also our ocean trade routes unprotected.

It is not calculated to foster love and devotion to the Motherland, nor will it give that relief to the British taxpayer that is incumbent upon us in our present situation. 'We are able to do more than build ships, we owe it to ourselves to train and place our sons on our ships, victual and pay them, we are well able to do so.'

It is not in keeping with our position as a nation, for some two centuries or more, we have been protected without a dollar paid on our part, and now we propose meeting the situation by placing three ships at the disposal of the Admiralty unmanned, to be manned and maintained by the British taxpayer.

It does not encourage ship-building in Canada, nor construction of shipyards.

It does not encourage immigration.

It does not develop home industries.

It does not provide increased home markets for our farmers.

Positively:

It keeps naval defence in active partisan politics to the hurt of Canada and the Empire.

Let me sum what would be the effect of the amendment moved by my right hon. friend the leader of the Opposition.

It provides for energetic action in the construction and maintenance of two fleet units and finds employment for about five thousand officers and men, on board ships.

It provides for training and manning two fleet units.

It provides for protecting our shores and our ocean trade routes. (Admiralty memorandum, page 22, No. 1.)

It is calculated to foster loyalty to the Motherland and to relieve the British taxpayer of the payment of the money necessary for the maintenance of men to man our ships.

It is along the lines recommended by the Admiralty in 1909 and it will protect our shores and our trade routes. Our ocean trade is growing by leaps and bounds, thus our commerce will be more secure. The hon. member for York, New Brunswick (Mr. Crocket) says this is unnecessary and useless.

If emergency should be in sight our two fleet units, with sailors and officers, can be at the disposal of the Admiralty.

In times of peace our ships will be in the zones appointed, or set apart by the Admiralty.

Our ships will hoist at the stern the white ensign as the symbol of the authority of the Crown.

Now, a word as to the effect of a compromise, and under this head I would suggest the following considerations:

Perhaps at present as important as anything can possibly be, is that it would, if mutually agreed upon remove the matter of naval defence from the field of active politics.

Responsibility for it being in politics is on the shoulders of gentlemen opposite.

Responsibility is on them to remove it from the sphere of partisan politics; they can do so by legislation along the lines of the unanimous resolution of Parliament under date 29th November, 1909.

If hon. gentlemen cannot agree to do this, or cannot find some other reasonable way to take the question out of party politics, they ought to ask the people which of the two propositions before the House they prefer, not by a plebiscite but by giving the people an opportunity to pronounce on the policies of the two great parties. We ought to ask the people if they want a self-respecting Canadian navy represented by a a fleet unit on each coast, or the policy of the Bill.

Mr. PELLETIER: Why not a plebiscite?

Mr. LOGGIE: I am not talking about a change of Government at all, but I say that we ought to ask the people which of the two proposals they want, or else we ought to legislate along the lines of the unanimous resolution of 1909. Bring in a resolution from that side of the House and I will support it, providing that it is in conformity with the unanimous resolution already passed by this House.

For my own part I have no hesitation in saying that I prefer a policy of two fleet units, built in Canada, if possible, and as soon as possible, manned and maintained by Canada. If construction of the two capital ships cannot be overtaken in Canada promptly, I would favour building them in England, and on completion, if an emergency is in sight, place the ships under control of the Admiralty and pay the cost of maintenance during war. If no emergency exists, the ships, as soon as ready to be placed in the respective zones named by the Admiralty under the control of Canada.

I want to say a word about the amendment now before the House. My hon. friend from Assiniboia (Mr. Turriff) moved an amendment to the motion for the second reading of the Bill that the House should not proceed with it until the Government take up the proposition of a redistribution Bill, submit a measure to the House and then ask the people what they should do in the matter of naval defence.

The constitution makes it almost imperative that when any important change is made in electoral conditions, these new conditions be put to the test and the newly enfranchised enjoy their rights at the earliest opportunities. I ask you Mr. Speaker, is that not a fair proposition in view of the magnitude of the Bill before the House, with practically one-half of the people of Canada against the Bill? Is it not right and proper to consult the whole people? It is an opportune time to bring forward the expected Redistribution Bill and place the naval policy of the two parties before the country. Then, and then only, does it seem to me that we can get this momentous matter out of active partisan politics. Let us calmly and dispassionately determine which of the two propositions the people of Canada prefer. Either that or the Government should amend the Naval Act now on the statutes along the lines of a Canadian navy. These are my concluding words, Mr. Speaker.

Some hon. MEMBERS: Hear, hear.

Mr. LOGGIE: I am sorry I have spoken so long; but it must be remembered that when this matter was discussed in the House in 1910 I did not take any part in the debate. I am a little bashful, you know, and did not care to take any part in the debate, and I apologize for taking up so much of the time of the House on this occasion. Let me say this closing word to Canadians, loyal and true that they are. Canadian naval defence should be paid for by Canadian money, in ships built as far as practicable by Canadian labour and workmen, in Canada, and out of Canadian material as far as possible, and within reasonable time. If facilities are not available for prompt construction of the largest ships in Canada, then build the larger ones in England and let the work of constructing the smaller ones go on concurrently in Canada. Let them be manned by Canadian men animated by Canadian patriotism, these two Canadian fleet units under Canadian supervision and control up to the point when the Empire needs united action under central control. These ought to be the aspirations of all loyal subjects of our Sovereign the King in Canada, in Australia, and I think I can say in the United Kingdom and her other dominions and colonies.

On motion of Mr. Stanfield, the debate was adjourned.

On motion of Mr. Rogers, House adjourned at one o'clock a.m. (Tuesday).

HOUSE OF COMMONS.

TUESDAY, February 25, 1913.

The SPEAKER took the Chair at Three o'clock.

PRIVATE BILLS.

FIRST READINGS.

Bill No. 121, for the relief of Beatrice Emma Mayers.—Mr. Wallace.

Bill No. 124, for the relief of Minnie Kate Clappison.—Mr. Ross.

Bill No. 125, for the relief of George Geddes McDonald.—Mr. Bristol.

Bill No. 126, for the relief of Frederick Frank Saunders.—Mr. Wallace.

QUESTION OF PRIVILEGE.

On the Orders of the Day being called:

Mr. BUREAU: Mr. Speaker, I desire to rise to a question of privilege. Last Friday I rose to a similar question, not as I stated, because I had a more personal interest in the matter than anybody else, but because a reflection had been cast upon the House and yourself. I had expected, in view of the explanations that were given and the denials made to the House, that some correction would have appeared in the paper concerned, but it did not. The same thing, a little bit emphasized, appears in another paper, La Presse, of Montreal, under date of February 22. There is an editorial

headed: 'General Review.' After talking about the Mexican revolution and the suffragettes in England, they come to the prisoner in the tower. The editor states that the prisoner had to abandon his very comfortable quarters in the House of Commons, that he had been lodged in a cell in the common jail, that there he is reflecting upon the hardship inflicted upon him, and is watching for the silver lining in the cloud and for the time when he shall come out of jail again, and that when the doors of the House of Parliament would close he would be set free because the doors of the jail would be opened. Among other things the editorial says this:

Il est vraiment extraordinaire qu'il en soit ainsi. Voici un homme, qui avoue avoir commis un acte de corruption sur la députation, qui donne le montant des sommes payées pour l'obtention d'un contrat public, qui commet un mépris d'autorité en taisant le nom qu'on lui demande à la barre de la Chambre, et qui ne pourra être puni par le grand corps public qu'il aura ainsi compromis, méprisé et sali! Vraiment, c'est à en perdre toute notion de justice.

Translated into English, it reads:

It is very extraordinary that it should be so. Here is a man who confesses to having corrupted the deputation——

Meaning the members of this Parliament.

—who gives the amount of the sums paid to obtain a public contract, who is guilty of contempt of authority by withholding the names of the men when he is asked to declare them at the Bar of the House and who will not be punished by this great public body which he will have besmirched. Really, it is contrary to all notions of justice.

These comments are becoming too common and if I rise at this time it is to call the attention of the public generally to the fact that we are being accused here and that all sorts of insinuations are being made for which there is no justification whatever either in the proceedings which have taken place before the House, or in the investigation which has taken place before the Public Accounts Committee, or in the statements made by Mr. Miller when he was called to the Bar of the House.

DISMISSALS AT DESCOUSE AND WEST ARICHAT.

Hon. C. J. DOHERTY (Minister of Justice): Mr. Speaker, before the Orders of the Day are called, I wish to make a statement which was requested of me the other day by the right hon. the leader of the Opposition, with regard to a motion made some time ago by the hon. member for Richmond (Mr. Kyte) for the production of papers in regard to the release on ticket of leave of a man named Landry. When the motion was before the House I stated that in my opinion it was objectionable that papers of this kind should be produced. I did not suggest then, nor would I suggest now, any absence of power in this House to order the production of such papers, but I did express the opinion that the ordering of such production by this House would be very undesirable, I think I may say improper, save in very exceptional cases at all events. I also intimated that my objection was that the practice had almost invariably been, in so far as cases under the Ticket-of-Leave Act are concerned—and this is a case under the Ticket-of-Leave Act—not to produce such documents. I stated that I would look into the matter and I understand that what was desired by the right hon. leader of the Opposition was that I should give to this House the result of my inquiry. I find that the impression that I expressed with regard to the practice is fully borne out by the result of the search I have made in this connection. In the first place it may be well to begin by pointing out that the practice in England is, and has for a very long time been in accordance with the opinion I expressed, namely, that such documents should not be produced, save, at all events, in very exceptional cases. I shall not go at any length into that question. It may perhaps be well to give one citation from Todd's Parliamentary Government in England, in which he lays down the rule in words which I think are sufficient to cover all that need be said. I quote from page 557 et seq:

No interference by either House of Parliament with the exercise of this prerogative is justifiable, except under extraordinary circumstances. It was said by Macaulay, that he would rather entrust it to the hands of the very worst ministry that ever held office than allow it to be exercised under the direction of the very best House of Commons; and by Sir Robert Peel, that he would leave this prerogative in the hands of the executive, considering that it was the right and duty of the House to interfere only if there be a suspicion that justice is perverted for corrupt purposes, p. 561.

The Government exercise their own discretion as to whether they deem it expedient to reply to such questions or not. But it has been stated by ministers, in both Houses, in reply to questions on the subject, that, as a general principle, it would be inconvenient and unusual to lay before the House the grounds on which that discretion proceeds which dictates leniency or severity on the part of the responsible advisers of the Crown, p. 562.

The author then proceeds to deal with the question at considerable further length, but I think that what I have read is sufficient to justify my statement in regard to the practice in England. In this country I find that the question came up for the first time—so far as I have been able

to trace it, but I have no doubt there were previous instances—in 1903, when the Right Hon. Sir Charles Fitzpatrick, now Chief Justice of the Supreme Court, was Minister of Justice. In answer to a motion similar to the motion of my hon. friend from Richmond, the Right Hon. Sir Charles Fitzpatrick said: ('Hansard' of 1903, volume I, page 567).

Perhaps my hon. friend would allow that motion to stand for the present. It is my intention to oppose it on the ground that it is contrary to the well-established usage in England and also to the practice which has been adopted in the Justice Department. I make this suggestion because I have not been able to put my hand upon the particular case in which this rule was adopted in the Justice Department when Sir John Thompson was head of that department. I hope to have it within a day or two. I move that the debate be now adjourned.

I may say that I have not been able to find in the department the memorandum of Sir John Thompson to which Sir Charles Fitzpatrick refers, but I think we are quite safe in taking the statement of Sir Charles Fitzpatrick that Sir John Thompson had laid down the rule. The next instance in which the question arose was also when Sir Charles Fitzpatrick was Minister of Justice and the reference to it will be found in 'Hansard' for 1905, volume I:

Mr. LAKE asked:

1. Were two men named Hamelin and Gosselin sentenced to imprisonment in the penitentiary for horse-stealing by Judge Prendergast in 1902?
2. What was the length of sentence in each case?
3. Were they released before sentence expired?
4. If so, at what date, and for what cause?

Hon. CHARLES FITZPATRICK (Minister of Justice): In answer to my hon. friend, it is contrary to the well established usage of Parliament to answer questions of this sort; and if the hon. gentleman will permit me I will send him over the reference in Todd where he will find the rule stated.

The next case in which the question came up will be found in 'Hansard' of 1906, volume III, page 183. In this case the following question was asked and answered:

Mr. MACPHERSON asked:

1. Has one Brothier, a convict serving a seven years' sentence in the British Columbia penitentiary, been released?
2. How long did he serve, and on whose recommendation was he released?
3. Will the Government bring down all the papers in connection with the matter?

Hon. A. B. AYLESWORTH (Minister of Justice): His Excellency the Governor General, on 22nd May, 1906, approved a recommendation that the prisoner Brothier be released from further custody. Brothier was released accordingly on 29th May, 1906, having been sentenced on 15th March, 1904, to imprisonment for five years and two years. In Great Britain, for the last sixty or seventy years, the administration of the prerogative of mercy has devolved upon the Secretary of State for the Home Department, who is considered as being directly and exclusively responsible for the same. In Canada, His Excellency the Governor General is, by his instructions under the Royal Sign Manuel, authorized and empowered, as he shall occasion, when any crime or offence against the laws of the Dominion has been committed, to grant to any offender, convicted of any such crime or offence, a pardon, upon receiving in capital cases, the advice in that behalf of the Privy Council for Canada, and in other cases, the advice of one of his ministers. In cases other than capital cases, such advice has been in practice, that of the Minister of Justice. In the present instance, the recommendation for the prisoner's release was made by the Minister of Justice. In the view of His Excellency's advisers, it would be, as a general principle, unusual and inconvenient to lay before Parliament the grounds on which that discretion proceeds which dictates leniency or severity on the part of the responsible advisers of the Crown; the course of general practice in the past has been in accordance with this principle, and it is considered that in the present case no special reasons exist for departing from the general rule.

That was in answer to a request to bring down all the papers and I may note that the Minister of Justice of that time in giving that answer expressly added that he was giving the view of His Excellency's advisers, so that we have in this answer an expression of the view of the Government of the right hon. the leader of the Opposition The next instance will be found in 'Hansard' of 1907-8, volume I, page 510. In this the question was with regard to a prisoner named Gillis who was sentenced to be hanged at Charlottetown, and whose sentence was commuted.

One of these questions was:

Was this prisoner's sentence commuted to imprisonment for life? If so, on what grounds?

The answer to it is:

The prisoner's sentence was so commuted. As to the grounds upon which such commutation proceeded, I am quite unable to answer, but the well established constitutional practice in that regard is that in general, the advice tendered to the Governor General in such cases is regarded as confidential, and not to be communicated even to Parliament unless under very exceptional circumstances. Such circumstances would not appear to exist in the present case.

Another question was:

Has this prisoner been released? If so, when and upon what grounds?

The answer was:

He was released. The reply to question two applies to the latter part of this question.

It was also asked:

From what source did the request for his release come?

The answer was:

From several persons interested in the prisoner who, from time to time during several years, urged his release. It is not the practice to communicate the names of memorialists or petitioners in such cases.

So far as I have been able to find, the next occasion on which this question came up was upon a motion by the Hon. Mr. Foster for a return showing the number of released convicts, their names, and so forth, covering a certain period of time. This matter will be found reported in 'Hansard' of 1907-8, volume 2, page 2831. Upon that motion there was very considerable discussion, and I do not propose to go over it all. Members of the House who are interested will find in that discussion very fully set forth and elaborated by the then Minister of Justice, Sir Allan Aylesworth, the reason why documents of the kind now asked for should not be produced. I think I outlined some of those reasons on the former occasion when I spoke on this matter. To my mind the reasons are conclusive and should carry conviction to the minds of any who read them. I do not think I could set them forth as forcibly or as clearly as my predecessor did; and I shall simply content myself with referring members of the House who may be interested to the statement made on that occasion by Sir Allan Aylesworth.

The matter again came up in the case of a prisoner named William Blunden, as reported in 'Hansard' of 1907-8, volume 2, at page 3468, and following. There Sir Allan Aylesworth expressed the same views as he did upon the motion of the Hon. Mr. Foster to which I have referred. In connection with the latter motion, I might point out that it calls for a list of the prisoners discharged covering a number of years, with the reasons for their discharge and other information. The motion, as finally passed by the House, with the consent of the hon. gentleman who moved it, after Sir Allan Aylesworth had explained why he thought it should not be granted as it was made, was simply to the effect that a return should be brought down showing the number of prisoners discharged and the reasons for their discharge so far as it might be deemed expedient to state them. This was done on account of the position taken by the then Minister of Justice that the documents themselves ought not to be produced, but as a rule at all events ought to be treated as confidential. In the case of Gillis, which I mentioned a moment ago, not only did Sir Allan Aylesworth set forth the views which I have already expressed and support them by a very clear argument; but in the course of that discussion, speaking particularly of the reports of judges which are furnished in these cases, the right hon. the present leader of the Opposition, as reported at page 3471 of 'Hansard' said:

Mr. Speaker, I might recall, if I may be permitted, a discussion which took place a few days ago on a cognate subject, in which the practice of the Department of Justice, in this country and the practice in Great Britain was reviewed. The Minister of Justice stated, I believe without contradiction, that the reports of the judges in cases similar to this one are always made by request of the department, whereas in capital cases the judge is always bound to make a report of the proceedings to the department. The Minister of Justice did not contend the other day, that in all cases, with absolutely no exception, these reports are confidential, but I am not aware that, outside of capital cases, any report of a judge has been brought down.

In the course of a discussion in connection with the case of Blunden, some very interesting remarks of Sir Allan Aylesworth will be found on page 3476 of the volume of 'Hansard' which I have mentioned. These remarks deal with the question whether such documents should be communicated confidentially to anybody, even to individual members of this House. What I have said I think quite justified my saying that my consent to the granting of this motion as it now stands would be a departure from the well established rule and practice, as it is in force in England, and as it has been in force and is recognized in this country at all events since the Right Hon. Sir John Thompson occupied the position which I occupy to-day. I am sure the House will agree with me that, except for very grave reasons indeed, we should not depart from a rule, which has such very conclusive reasons in support of it, and which rests upon so well established a practice, and for whose existence are responsible men of such recognized competency in regard to a matter of this kind as my predecessors in the office of Minister of Justice, namely, Sir John Thompson, Sir Charles Fitzpatrick, and Sir Allan Aylesworth. I can see no reason why this case should be treated as an exceptional one. The circumstances in connection with it involve nothing that would enable me to differentiate it from the ordinary case which is dealt with under the Ticket-of-Leave Act. As regards the reasons upon which this rule rests, I am quite prepared to rest my position upon the reasons set forth by my distinguished predecessor, Sir Allan Aylesworth. I might perhaps point out what are in my opinion

some very obvious reasons. Let us confine ourselves for the moment to the question of the exercise of clemency under the provisions of the Ticket-of-Leave Act, which is an Act under which His Excellency the Governor General exercises a power not of pardoning people, not of relieving them of their sentences, but of permitting them to pass a portion of those sentences not in close custody, but under supervision and subject to the obligation of reporting to the police from time to time. In regard to cases under that Act, in the past and to-day, when applications are made, we ask the different judges for reports. These reports come to us, not in the performance of any official obligation or duty imposed upon the judge by the law, but as conveying information given at our request to aid us in determining what action should be taken. And it is of very great importance to us, and to the proper administration of this Act—and, of course, I realize that the importance to us is not greatly to be considered, but the importance of a proper administration of this law will be recognized, that these reports should be made under such circumstances that the judge will feel himself quite at liberty to communicate all the facts he may know as to the offence, the character or previous record of the accused, and any other circumstances that may bear upon the question whether leniency should be exercised or not. If it goes forth to the world that these reports are being called for not alone for the information of the minister and through him of His Royal Highness, but that they are liable, even though in the discretion of the minister, to be brought down to the House and published broadcast, I think anyone will realize that the judges will feel that they have to speak always in view of that fact. I am not at all suggesting that the judges would say privately, so far as they were personally concerned, that which they would not say publicly; but there are many things that the judge would naturally put into such a report which, if they went out to the public, would be very damaging to persons connected with the case and, in some cases, to the convict himself. I think it is certainly desirable that, while a judge should be careful in making such reports, yet that he should feel that in giving information to His Excellency and his advisers, he may speak freely and that he should deem it his duty to convey whatever he thinks will help those responsible in the matter to reach a right decision. We seek information not only from judges but from other officers. We have the parole officers, and we address ourselves also to police officers and others who are in a position to give us information; and anything that would be likely to stand in the way of obtaining that information freely and openly would be, in my judgment and as in the judgment of my predecessors, detrimental to the working of this Act.

Apart from the people to whom we address ourselves for information, there are many people who communicate with us in regard to applications. We have many letters from members of the families of these prisoners dealing with private matters which, no doubt, it would be painful for them to have made public. And I think hon. members will agree that such correspondence should be regarded as confidential. So, upon considering the whole matter, I think the established practice should be adhered to as being one that rests upon absolutely sufficient reason. I think I should not be justified in departing from that practice and consenting to the granting of this motion. I do not see anything in this case to differentiate it from the ordinary case to be governed by the general rule. There have been some. I would not say suggestions, but in some way, I think the idea has been sought to be conveyed, that there was something in connection with this case which showed that some political consideration had influenced the action taken. I was not acting at the moment when this case was dealt with. Of course, I do not disclaim the responsibility. But if I had been acting, I should very much prefer to remain under suspicion that might be generated by the fact that the documents were not produced than to consent to their production and thereby lead to the injury which I think would be done to the proper working of this Act. I am confident that no member of this House will suppose that in taking the position I am taking I am guided by reasons other than those I have given, or that in his action the Minister of Finance was inspired by any other motive than to act on the considerations contained in the documents before him. I believe that not only with regard to the members of this House but also with regard to right-minded people of this country, who, after all, are the vast majority; and if there be any people whose minds are so constituted that they will find in the action taken with regard to this motion any indication of desire to conceal anything because the action in a particular case was connected with political motives, then, for my part and so far as I am responsible for the action taken—and I am wholly responsible for it—I am quite willing to be subjected to the unfavourable opinion of people of that kind. I might also add that there was a ruling similar to that which I have cited in the other cases, in the Blyth case brought to the attention of

the House by the hon. member for Centre York (Mr. Wallace).

Sir WILFRID LAURIER: By your leave, Mr. Speaker, might I offer a word with regard to the remarks of the Minister of Justice?

Mr. SPEAKER: I think it ought to be by the permission of the House. The discussion expanded because of the fact that there would probably be no other favourable opportunity for the Minister of Justice to make his statement.

Mr. BORDEN: It is not intended that it shall develop into a debate; and, I think that my right hon. friend (Sir Wilfrid Laurier) might be permitted by unanimous consent, to make any remarks he wishes to make.

Sir WILFRID LAURIER: I do not think that the remarks I shall offer to the House will occasion a debate, because I have no dissent to offer from the remarks of the Minister of Justice. He has taken the position which has been taken by all his predecessors, that such communications are confidential and ought not to be brought down to the House. But he has anticipated a possible exception because he has stated that there may be occasion where an exception may be made. I am not aware that such occasions have been many, but I know that in the past there has been one celebrated case, the case of Shortiss, in which the papers were brought before the House. The Government, either for their own reasons or for public reasons, brought down all the papers in that case. And it may be that there are other cases in which the minority think it well to press their claim to such papers. But, as a rule, I am in accord with what the minister has said. Therefore, I am not surprised that in the present case, he does not think it well to bring down the papers. I have no observations to make as to whether the release of this man Landry was advisable or not. That may possibly be subject to consideration. But, as to the rule and the general principle, I agree with what the Minister of Justice has said.

Mr. KYTE: As the Minister of Justice has decided not to bring down these papers, I would ask that the order standing in my name in reference to them be discharged.

Mr. SPEAKER: This is not the proper time for such a motion.

Mr. BORDEN: It can be made when the motions are reached to-morrow.

NAVAL FORCES OF THE EMPIRE.

Consideration of the proposed motion of Mr. Borden for the second reading of Bill No. 21, to authorize measures for increasing the effective Naval Forces of the Empire, and the proposed amendment of Mr. Turriff thereto, resumed from February 24.

Mr. R. B. BENNETT (Calgary): I rise with some hesitation to address the House on this question, inasmuch as I recognize that the long discussion has practically exhausted all that may well be said on the subject under consideration. But, after all, each member of the House must give some reason for the faith that is within him, and in this case I give my support to this Bill the more readily because it embodies a principle which I have endeavoured during all my life to support. I think there has been a great deal of confusion of terms during the progress of this debate. I have listened to the hon. gentlemen opposite and I have heard them discuss this measure as though we were embarking upon a permanent naval policy of contribution. None know better than they that such is not the case. I have heard them and I cannot help but think that they did it deliberately, confuse the terms 'Empire' and 'Nation,' and then confuse the contribution we are now making to the support of the Imperial navy with a permanent policy. It must be apparent that these gentlemen were conscious at least of what they were doing. In order that there may be no misapprehension I venture on the very threshold of my remarks to read this Bill, and I say, Sir, that no measure that has ever been introduced into the Canadian Parliament in my time, or in the time of those older than I, embodies more, and says it in fewer words than the measure which is now before the House. The Bill reads as follows:

> This Act may be cited as the Naval Aid Act. From and out of the Consolidated Revenue Fund of Canada there may be paid out and applied a sum not exceeding thirty-five million dollars for the purpose of immediately increasing the effective naval forces of the Empire.

I have heard hon. gentlemen in this House say, and I have read in the public press that this was an endeavour on the part of the people of Canada to borrow $35,000,000 from England and pay interest upon it to England, for the purpose of aiding in the building of the British navy. At the very threshold of this discussion it must be apparent to everybody that this money is to come, as the Bill says: out of the Consolidated Revenue Fund of Canada; and, when hon. gentlemen endeavour to make it appear that we are borrowing this money for the purpose of building a navy they are saying something which does no credit to their own intelligence. The next point to which I direct attention is in the second section of the clause which says that this money is for the purpose of immediately increasing the effective naval

forces of the Empire. Heaven only knows, Mr. Speaker, that during all these long years we have had delay enough. We have had the promises of 1897, 1902, 1909, and of 1911, and what have we? We have nothing. We have nothing, except if you will, possibly three ships that have been contributed to the British navy: the Niobe, the Rainbow and the Minnie M, that splendid privateer whose admiral-in-chief is not in this House but presides over the destinies of the Liberal party in another, and one of whose chief lieutenants finds a resting place here, and others, unfortunately for the country in which I live, find a resting place in the provinces of Alberta and Saskatchewan. To proceed with the third paragraph of the Bill:

The said sum shall be used and applied under the direction of the Governor in Council in the construction and equipment of battleships or armoured cruisers of the most modern and powerful type.

We have here committed ourselves to a policy that we think will be effective and efficient. We have not said that we will supply a ship in eastern Canadian waters to be the chief attraction at an old-home reunion, or that we will raise the hopes of those upon the Pacific coast by supplying something to lie at anchor at their anchoring ground. And, as a third ship is mentioned, we have not endeavoured to supply a privateer—they are very useful and they sail under letters-of-marque sometimes, and one of them sailed from the Soo some years ago carrying forty privateers, to prey not upon the commerce of Canada, but upon the rights of Canadian citizen voters in the great province of Ontario. Then, the fourth paragraph of the Bill says:

The said ships when constructed and equipped shall be placed by the Governor in Council at the disposal of His Majesty for the common defence of the Empire.

It is not within the four corners of that Bill that the autonomy of this country will in any way be impinged upon, or trenched upon. It is not intended, in the Bill that we propose, to detract one whit from our nationality, but it does say that we recognize the duty that devolves upon us, as citizens of the British Empire, to do everything we can for the common defence of the Empire. Therein, Mr. Speaker, as I shall presently show, we differ materially from hon. gentlemen opposite, whose policy, I think I shall show conclusively to this House, has been, and is, a policy of separation, a policy looking to one end, and that end independence, and no other. They have no desire to assist in any way, shape or form in the defence or upbuilding of the Empire. Now we turn to paragraph 5:

The said sum shall be paid, used and applied and the said ships shall be constructed and placed at the disposal of His Majesty subject to such terms, conditions and arrangements as may be agreed upon between the Governor in Council and His Majesty's Government.

There is a clear concise statement of a policy that I venture to say will commend itself to reasonable business men in every part of this great Dominion. It will not only commend itself to the judgment of reasonable business men, but, except a man be a most violent partisan, it will appeal to the rank and file of the Canadian people everywhere. Why? Because it is the first endeavour that has really been made to convert talk into concrete action, and to show that we are really desirous of doing something for the common defence, and for the sustenance and maintenance of the British Empire. I have listened to hours of talk about the willingness of hon. gentlemen opposite to do this and that for the British Empire. I look through the statute-books of this country, and I look in vain to find any just or reasonable effort on their part to convert that talk into something concrete. That is the reason, I say, that if the Canadian people had no other explanation, and nothing more than the mere reading of this measure which is now submitted to the House for consideration, they would be satisfied and content. Now, Sir, I think that one can say with some degree of fairness that any hon. gentleman standing in his place in this House should be able to give some clear reasons, rather than generalities, for supporting the second reading of the measure now before the House. It will be remembered that those who oppose the second reading of this Bill oppose every proposal that is outlined and stated in that measure. They oppose the common defence of the Empire; they oppose a contribution to a common defence; they oppose the putting of our ships at the disposal of the Admiralty; they stand for a policy that negatives in every respect the policy that is outlined and stated in that measure. I support the second reading of this measure for many reasons, but I shall content myself to-day with giving six, with some slight arguments upon them.

I support the second reading of the Bill, first, because we are an integral part of the British Empire; secondly, because the naval supremacy of that Empire is menaced; thirdly, because it is our duty and our privilege, as a self-respecting people, to assist in the maintenance of that supremacy; fourthly, because co-operation in naval defence is essential to efficiency; fifthly, because it makes for and will do much to ensure the world's peace; and lastly, because it makes for the consolidation of a united British Empire, is a step towards Imperialism, if you will. These are the six reasons that I have to give for supporting the Bill and for arguing in favour of its second reading. It should not be necessary

for any person at this stage to argue that we are an integral part of the British Empire, and yet, Sir, I venture to say that any stranger who had come to this city and sat in the gallery of this House during the weeks that have gone by, and listened to the speeches of hon. gentlemen opposite, would doubt, and properly doubt, whether we were a part of the British Empire at all. I listened to the speeches, and these speeches abound in many talks about Nationalism. Before I finish with Nationalism, I think I shall be able to show that the prince of Nationalism is the Postmaster General.

Some hon. MEMBERS: Hear, hear.

Mr. BENNETT: I mean the ex-Postmaster General. I am glad to be reminded of the fact that I used the term the 'Postmaster General.' I had intended to say ex-Postmaster General. It may well be that at one time the two hon. gentlemen traversed the same road, but it is somewhat pleasing to know that since then the Postmaster General has journeyed to Damascus.

Some hon. MEMBERS: Hear, hear.

Mr. BENNETT: There are some who have journeyed to Jericho. Now, Mr. Speaker, I should like to refer shortly to a few mistakes in terminology that I think have been made in this debate. It is true that this Canada of ours has almost all the attributes of a nation. It is true that we can exercise almost all the powers that a nation may exercise. It is true that we have the right under the British North America Act to care for our own defence. It is true there has been extended to us from time to time the power to make commercial treaties with limitations. But we should not forget, and I say that hon. gentlemen opposite in their speeches indicate that they do forget, that after all, the Dominion of Canada, self-governing federation though it is, is essentially a creature of an Act of the Imperial Parliament that sits at Westminster, and that our constitution ultimately construed by the court of last resort, is a written document, the British North America Act; and however much you may gloss it over with splendid language and beautiful diction, as the right hon. the leader of the Opposition very frequently does; however much you may attempt by splendid rhetoric to cover up the fact, it still remains that we are not a nation, but that we are a great self-governing Dominion, subject to the Parliament which sits at Westminster, which in practice does not exercise all those powers, but which in theory may well exercise them, so far as this country is concerned. We must remember that fact because it is the basis of every argument made in this House. I care not what may be said to the contrary, the simple fact remains that we are only a self-governing colony, if you will a great confederacy, exercising the powers that are given to us by a statute of the Imperial Parliament. It will be part of my argument to show that this legislation is a step in the right direction, a step towards that goal at which, I say, we should all aim, namely the creation of an Imperial Parliament that, with men from this Dominion, and from that dominion, from New Zealand, Australia and Canada, would legislate upon every subject that effects the common rights and the common well-being of this great Empire. It is for that reason that I draw attention at the very threshold of my argument to the mistakes in terminology which are so often to be found in speeches of hon. gentlemen opposite. I say it should be axiomatic that we are an essential part of the British Empire. Let us concede without further argument that we are subject to its legislation and that the Parliament that sits at Westminster might well legislate for us. Having conceded that, I pass on to the second reason which I have given for my support of this Bill, that is, because the naval supremacy of this Empire is threatened.

Mr. Speaker, if I remember aright, in the year 1906, the Cawdor memorandum, so-called, was given to the British people. That memorandum declared that England should commence the construction of dreadnoughts. Up to 1906 it is apparent that all the nations of the world were secondary in naval importance to Great Britain. She had two ships to one of a combination of the other powers in Europe. But, when it became apparent that the ships of that day were obsolete, that no longer were these ships regarded as being fit to put into the line of battle, when the Admiralty was committed to the policy of dreadnoughts, it must be admitted by every member of this House that at that moment England, Germany and France stood upon almost an equality. It is true that of those ships that have since been called obsolete, England had three or four to the other powers' one, it is true that she had more than a combination of European powers; but when it came to dreadnoughts, she had to face the scientific knowledge, the skill and the workmanship of any other state which had almost as much if not greater scientific knowledge in some lines of action than was to be found within her own shores. We find that when the Cawdor memorandum was published, and when England entered upon the construction of dreadnoughts, the German people commenced a similar programme.

I have a most profound regard and admiration for the German Empire. No people have brought to bear upon the great problems of to-day, a finer skill, a higher knowledge, or a greater desire to translate the knowledge learned in books and schools into

concrete action, than have the German people. They have brought about, during the past forty years, the consolidation of kingdoms, duchies and grand duchies into an empire and, thanks to the protective policy of Bismarck, since 1879, they have encouraged within their own boundaries a scheme of industrial development such as has seldom been seen in this world. They have applied their industrial and scientific knowledge, the knowledge learned in schools and books, to the construction of warships in the great works of Krupp and in great works in other parts of Germany, and it must be apparent to hon. gentlemen opposite that to-day they stand on an equality practically with England. They have more people than England has; they have 66,000,000 in Germany as against 45,000,000 in Great Britain. Their population increases nearly a million a year while the population of the United Kingdom increases by but 300,000 or 400,000 a year. Those were the facts which confronted this Empire in 1906 and then the question arose as to whether it would be wise or unwise to continue with this great programme of naval construction upon which we had entered. It will be remembered that the Government of Sir Henry Campbell-Bannerman adopted a certain attitude whereby they thought they might be able to curtail this mad race of armaments. During the years 1906, 1907 and 1908 they lessened their naval activity in so far as the construction of warships was concerned, but Germany did not respond to the invitation. Why?—because the German Emperor said: Henceforth, our Empire is upon the sea. He had created the finest army the world had ever seen as far as numbers and appearances go, and now he said: Our Empire lies upon the sea. Britain was beginning to curtail her naval programme, the Germans declared that they would go on and increase theirs. Why did they do this?—because they stood on an equality with England in the construction of dreadnoughts. They can build these ships as rapidly as England can, they can, at the Great Krupp works, construct heavy guns as rapidly as England can and they can man their ships with almost as good sailors as England can, although not quite as good, because they have not the splendid traditions of the British navy behind them. But the fact remains that the German people, in 1906, commenced practically on an equality with England as far as the construction of dreadnoughts is concerned. France, Italy and Austria-Hungary commenced the construction of dreadnoughts. Unfortunately for us, unfortunately for this Empire, those of us who look at the matter closely have found, as any gentleman can find who will take the trouble to look at the books in the Library, that instead of our being supreme upon the sea against a combination of powers, by reason of the change in the character of the ships that are being constructed, by reason of the change in the equipment, construction and plans of ships, the supremacy of Britain upon the seas is challenged by a combination of the powers of Europe. That fact being so, and it seems to me that it cannot be disputed, what do we find? Hon. gentlemen opposite do not deny that fact. I have heard them admit that fact unreservedly in their speeches. The right hon. the leader of the Opposition (Sir Wilfrid Laurier) stood up in this House and said that he knew that the conditions were as I have indicated, that he knew of the menace four years ago. Knew it four years ago and did not lift a hand for the British Empire!

Some hon. MEMBERS: Oh, oh.

Mr. BENNETT: Knew it four years ago and lifted not only not a hand but not so much as a finger for the British Empire! He was content to utter platitudes and beautiful generalities to the people upon their duty and point to the freedom which we enjoy under the British flag, but when it was pointed out to him that we must have ships and shipyards, when it was pointed out to him that the German Empire, the Austro-Hungarian dual monarchy, Italy and France were building more dreadnoughts and rivalling the power of Great Britain upon the seas, what did he do? What did hon. gentlemen opposite do?—they bought a Niobe, and they placed on the Pacific ocean a Rainbow, a glorious name indicating that faith, which comes to us because we have a promise that the world will not again be destroyed by flood. But, Mr. Speaker, faith without works is dead, dead, dead. That kind of faith is the faith that the Romans had when Rome fell. That is the kind of faith that the colonists of Carthage and Phoenicia had but they are no more. That is the kind of faith which lost them their colonies upon the African coast. That is what reduced the greatness of Rome because Rome fell for want of works. That is the kind of faith which brought about the ruin and downfall of all those kingdoms and empires and just so truly as the history and the experiences of the past repeat themselves, and that the great teachings that come to us from the past shall again be verified so do these hon. gentlemen represent the same faith as that which fiddled when old Rome fell.

An hon. MEMBER: Hurry up and get to Bourassa now.

Mr. BENNETT: I will be very glad to answer the hon. gentleman if he will be kind enough to speak up so that I may hear him. We have a right to ask ourselves, every thinking Canadian has a right to ask

himself, and the young men of this country have a right to ask themselves, why there is being massed in the North sea today this great and ever greater navy of the German Empire. Why this great industrial hurry in Austro-Hungary, why are the Germans busy in their ship-yards and why are they increasing their armaments? We have a right to ask ourselves if they are building these navies to protect their trade or if they are building these navies for the great battle which those who think believe must come and which may come not long hence. I have a right to ask myself whether or not the great German Empire has colonial trade to care for, whether she has overseas colonies to protect.

Her people remain largely in their own country; hence the great increase in population. I have my own idea why Germany is building so great a navy. They are doing what we would do if situated as they are and one cannot but admire and respect them for it. There you have a great nation, self-contained if you will so far as her people are concerned. They do not grow quite corn enough for themselves. They are a busy, happy and industrious empire; and they are more loyal and patriotic and more given to the devout worshipping of their national existence than almost any other people in the world. What happens? They do not desire to go abroad and live under a strange flag. They desire to plant the flag of Germany in new lands, as they have seen their kinsmen across the North sea do. They are close students of history, they see what Britain has done, planted her flag in the remotest portions of the world planted her colonies everywhere, and sent her people and the people of other lands to these colonies. The Germans see this and say to themselves: the only way we can make ourselves great and bring about an expansion compatible with our national existence is by planting our colonies in new lands. They ask themselves where the lands are, and see the red flag of England floating in almost every part of the world. They look to the South American republics and see possibilities there, but are told: Hands off. Beware of the Munroe Doctrine of the United States. They are asking themselves every day: Where can we find an avenue for expansion, where commence new colonies, where plant people over seas. These are the questions they are asking themselves. They demand an outlet for their surplus population and are willing if needs be to fight for it, and they tell you that they are following the principle laid down by Lord Nelson on the day of the Battle of Copenhagen: If we cannot beat the enemy we can put him so out of business that he will do no harm to us and no good to himself. That is a proper and sound idea, for a great people to have in their mind and unless we in the overseas dominions, who constitute the greater Britain beyond the seas, we who are now or will shortly be the dominant partners in this great federation of the world, show to our German friends and to our friends in other lands that we are prepared and willing to sacrifice our all for the advancement of the common defence of our common Empire then, Sir, I think they are right in the conclusions they have drawn, and it is for this reason that this measure appeals, as I think it does, so strongly to the younger men who believe in our Anglo-Saxon civilization. I think you will find that wherever men speak the English tongue, they rejoice in the fact that we have entered upon a policy such as this because they say: We do not necessarily believe in war, but this we do believe in, that the best possible way in which a people can secure peace and guarantee ultimate peace is by being well prepared for war. The hon. member for Edmonton (Mr. Oliver), who, too, represents a western constituency, pointed out that he does believe in this great menace and great danger. The hon. gentleman from Queens-Sunbury (Mr. McLean), with military training and experience, recognizes the menace to this country. Other gentlemen opposite declare there is no immediate danger and no menace. Whose word are you to take on this, the word of the eminent gentleman from Edmonton and that of the colonel from Queens-Sunbury or that of the other gentlemen I have mentioned? I prefer that of my friend from Edmonton who has fought many fights, who is an excellent warrior. I have engaged in strife with him myself and sometimes I have not been the victor. I say that frankly, and he should know well when there is a great menace. He knows what menaces are because sometimes he has been menaced from within and not from without. Knowing of this menace, knowing these facts as my hon. friends opposite do, some of them go around with a dictionary to discover the meaning of the word 'emergency.' One of them translates it into 'need' and says that is the very same thing.

Mr. TURRIFF: That was Foster.

Mr. BENNETT: The hon. Minister for Trade and Commerce said he used the word 'need' and not 'emergency' but the hon. junior member for Halifax said that need and emergncy were the same. Imagine such conduct with respect to this great menace to the Empire—and it is admitted by thoughtful men opposite; those who know admit it and those who do not know it salve their consciences by saying: 'If I believed.' Having ears to hear they hear not, and eyes to see, see not lest, hearing with their ears and seeing with their eyes, they should believe. That is

their position, and the hon. member for Northumberland (Mr. Loggie), being an eminent elder, will be quite able to appreciate it.

There is one other witness whom I will call to prove this menace. I am not here to-day to argue as to the great expenditures being made by Germany, expenditures greater than those that have been made by any other country in the world's history under similar circumstances. I am not here to argue that in this mad race for armaments this Empire will ultimately be overtaken, but I am here to call as witnesses to the menace—I care not what you call it, I say menace—to the menace to the naval supremacy of the Empire, the Lords Commissioners of the Admiralty. Who are they? These gentlemen are charged with the responsibility for what? For the safety of the King's dominions, not for the safety of the British Islands, not for the safety of one island or two islands only but for the safety of any land over which flies the flag of Britain, and these gentlemen, with knowledge of the facts, have prepared and submitted to this Government a memorandum. In all the documents of a similar character that have been given to Parliament there is not to be found another document which indicates anything like such a grave state of affairs as the document submitted to this House by the Lords Commissioners of the Admiralty. I am a little familiar with the political history of Great Britain. I have read those great debates of days gone by, when the genius of Pitt and Chatham and Burke flashed across the horizon. The House of Commons used to go into debate upon the state of the nation, and it is in those debates that we read clear-cut statements of the exact condition of the army and the navy, upon the efficiency of which the safety of England depended. You will remember in days gone by the grave discussions in England as to whether or not this or that was sufficient, whether or not the navy at that point was equal to the demands made upon it, whether or not the army being led yonder was equal to the demands being made upon it. But in all the history of this Empire I challenge any gentleman opposite to point to a single instance where you will find so strong a statement of a grave menace as in the document I hold in my hand. And these gentlemen who prepared it, who were they? The most eminent admirals that England has. The right hon. Mr. Churchill, who is the head of the Admiralty, has brought to bear upon the administration of the affairs of the admiralty, as you will be told by people of all shades of politics in England, great capacity, a great sense of order, and discipline and he has improved the service remarkably. The skilled men under him are the men upon whose genius will depend the safety of this empire in the hour of peril. If within the near future the great battle is fought that will determine the future of the Empire and the life of the state, in their hands will rest our destiny, in the hands of these great admirals, of these highly trained technical men, and, forsooth, we are told that there is no necessity of listening to what they say. I have not heard so many naval authorities since I left the maritime provinces as I have in listening to the speeches of hon. gentlemen opposite. I have listened to men who know more about guns than the trained men who wrote this Admiralty memorandum. I have listened to greater admirals than the admirals now in command the the British fleets. This House has listened to them; this country has listened to them; but if I interpret aright the views of the people of this country, I do not believe for a single moment that they have been misled. They are not content to take against the opinions of the men, in whose hands must rest our common safety, the opinion of the hon. member for Northumberland (Mr. Loggie) or of members from other places, or even of the hon. member from Red Deer (Mr. Clark). I think I would prefer to take the opinion of the Admiralty to opinions he might give upon any subject except possibly free trade. Let us look at what the Lords of the Admiralty say. I do not desire to burden this House; but this they do say:

> It has been necessary in the past decade to concentrate the fleet mainly in home waters. In 1902 there were 160 British vessels on the overseas stations as against 76 to-day.

A man knows something of what he sees with his own eyes. I was a student in the old city of Halifax, and I remember when the white ensign of England floated over the battleships in Bedford basin. I remember leaving that city and the maritime provinces and going to the West. When I left for the West, I still saw the white ensign of England floating in the harbours on the Atlantic coast. It floats there no more. On my first trip to the Pacific I saw the white ensign of England floating in the harbour of Esquimalt. It floats there no more. Why has it disappeared from the harbours of the East and from the harbours of the West? Why is it to be seen there no more? Why are the overseas ships which were 160 in number when I was a boy, now only seventy-six in number? Why? Because the naval supremacy of England is menaced. Because the peace and the welfare of the Empire are menaced. Because England's power is concentrated at a point, where in the day of peril it will be struck, in the North Sea. In this hour of peril, which must be known to gentlemen opposite, in

this awful moment of peril—I do not have to call it an emergency—men, who cavil and joke and treat lightly a memorandum such as this, have little regard for the great duties and obligations of citizenship. They little appreciate the privileges we enjoy, and they little realize the terrible results that will follow in the event of a disaster coming to the British navy. That is not all. I heard what I regard and what I think this House will regard as one of the worst possible attacks that have ever been made upon responsible men by the junior member for Halifax (Mr. Maclean). There dared to rise in his place in this House a gentleman, a member of the Canadian Parliament, who charged the British Admiralty with collusion with the Government of this country in the preparation of that memorandum. Let us look at what he said, because in all the annals of British Parliamentary life, you will find with but one single exception that no such attack was ever made upon responsible men. I turn back the pages of history, and I find that, during the long discussions that preceded the American Revolution, there were some men who dared to stand and attack the good faith of England; but they were few. It remained for the junior member for Halifax, representing one of the oldest cities in this Dominion, where responsible government was given to the people, to come to this House and charge duress against the Admiralty. Mr. Speaker, let us pause and think what this means. Let us consider if he interprets the genius of the Liberal party in what he says. Let us understand it. I turn to page 3884 of 'Hansard', where the speech of the junior member for Halifax is reported. He opens his speech by saying what? He said that he proposed to be able to show to this House—let me read his words:

I propose arguing later that that document was procured by duress.

Mark the words. Then I turn to page 3916, and what do I find? I find that hon. gentleman charging conspiracy between the Lords Commissioners of the Admiralty and the right hon. gentleman who leads this House and his colleagues. Shame on him for such an attack. Let me read the words. Hon. gentlemen opposite smile. They approve, I take it, of his attack. They desire to associate themselves with his attack. I assume that is their purpose and the purport of their smile. I am glad they desire to do so, because now we will know exactly where they are. These are the words:

But there is nothing substantial after all about the document and I think hon. gentlemen opposite will agree with me in that statement if they will look at the matter fairly. The memorandum bears the earmarks of a document procured by what in law is termed duress by a political leader who was in dire distress and extremity. He collided with the flotsam and jetsam which he himself put in the water and he sailed over to England with his flags flying in distress, asking for aid. He did not issue forthwith the ordinary Macedonian cry of: Come over and help me, but he went over to the Admiralty direct and said: I have come over here to have you help me out of a political difficulty and the Admiralty had to make three attempts before they got that which he thought might help him. The most you can say of this memorandum is that it was given at the request of the Prime Minister with a view to presentation to the Dominion Parliament as some justification for a contribution to the British Admiralty of three ships or $35,000,000.

I cannot stigmatize language like that with sufficiently strong expressions of detestation and abhorrence. Let me go a step further. Let me ask the hon. member for Red Deer (Mr. Clark) if he approves of this attack upon his friend Lord Morley of Blackburn? Let me ask the right hon. gentleman who leads the Opposition if he approves of this attack upon his friend Mr. Asquith? Let me ask the hon. member for Red Deer if he approves of this attack upon his friend the right hon. Mr. Lloyd George. Let me ask the hon. the ex-Postmaster General (Mr. Lemieux), who in his splendid eulogy of British statesmen the other day desired to draw attention to what they had done to relieve social troubles in England, if he approves of this attack on Mr. Churchill and Mr. Lloyd George. Does he approve? Does he think these men were so derelict to their duty that for a moment they forgot themselves and conspired with the leader of this House? Does he think it? That is what it means. What is duress? I took the trouble to look that word up in the law books. This is what it is. The right hon. gentleman who leads the Opposition smiles in anticipation of the definition:

Duress—Personal restraint or fear of personal injury or imprisonment. Duress exists where one is induced by another's unlawful act to make a contract or perform some act under conditions which prevent his exercising free will.

That is the definition of duress; and the junior member for Halifax says that this memorandum was obtained from the Lords Commissioners of the Admiralty under circumstances that amounted in law to duress, in other words, under a threat to imprison them, to deprive them of their free will. Can you imagine anything more amusing than to find the right hon. gentleman who leads this House, along with his colleagues, going to England and threatening the Prime Minister, his colleagues, and the Lords Commissioners of the Admiralty, with imprisonment?

In all the history of British parliamentary institutions from the day they first came to us until to-day, you will find nowhere any record to show that any responsible man, much less an ex-attorney general from the old province of Nova Scotia, had charged conspiracy against the men responsible for the safety of the British Empire. It is the habit of the hon. gentleman to attack Englishmen. I read in the parliamentary debates that he was strong in his attack against Right Hon. Walter Long and the Right Hon. F. E. Smith. It is a great thing to be a valiant man and brave under the circumstances in question. The gentleman who charged conspiracy against the British Admiralty might well be forgiven for making attacks against the gentlemen I have named. These gentlemen need no defence at my hands. Those who read the parliamentary history of Great Britain know that in the diary of one of the great Englishmen of nearly three hundred years ago it is noted that a division in the House of Commons was enlivened by the presence of the genial face of Walter Long. And ever since then there has been in that House of Commons one by that name. And there is one of that name there to-day, a man who has given his intellect, his wealth, his life and everything he has to the cause of advancing the cause and interest of our Empire. And the Right Hon. F. E. Smith likewise needs no defence at my hands. He, Sir, is one of the brightest products of the Tory democracy. He has made for himself a great name and a high place in England, without, as Lord Granville said when speaking of Disraeli, the assistance of any of those social advantages which added so much to his career when he entered public life. Mr. Smith has made for himself a great position at the Bar and in public life. But was it not in keeping with the position of an ex-attorney general of the province of Nova Scotia who would charge conspiracy against the Crown, against the Admiralty and its officers, that he should attack these gentlemen also? These gentlemen can well afford to disregard such an attack. But what were they attacked for? Because they ventured to say in this country that they were glad, for the sake of the British Empire, that reciprocity was defeated in 1911. And the hon. gentleman, in addition to his other attacks, attacked also his honoured leader. I dare say his leader was not in when he attacked him, but he said, 'I will not stand to have my honoured leader give evidence of the loyalty of Canadians.' He does not want anybody to testify to the loyalty of Canadians, not even his own leader, and, of course, he objects to the right hon. leader of this House doing it. These are the words of his speech. I say again, as I said on the first day when I spoke in this House, I can well understand

the ideas of men who said that reciprocity was a bad thing for the British Empire. I say, the problem was and is a problem in patriotism. I have lived long enough in the western country with its cosmopolitan population to know that bonfires blazed there when British arms were beaten in South Africa. Was not that a matter of concern? There are splendid settlers in western Canada—no finer, no better men, men who bring to bear upon the complex problems of western existence an experience and a knowledge that is not equalled by any other men in the world, men who have a high regard for law and freedom, men desirous of educating their children in right ways.

But, Sir, in 1911, to and fro in that great western land, there went emissaries who told them that one great party in this state favoured reciprocity, and reciprocity was looked upon by the President of the United States as something which would bring about—what? The absorption of Canada and the making of it into a commercial adjunct of the United States. And when they heard these things what did they do? I know, for I have spoken with them, men of high intelligence who could speak their minds. And they said to me: 'Mr. Bennett, I am voting for reciprocity because Uncle Sam wants it, and what he wants, I want.' That is what I have been told a hundred times. I have talked with them in the little hamlets and in the great towns. I have heard their sneering remarks at times after the speeches delivered to them by these gentlemen who told them forsooth that reciprocity would be a great thing for them. And they have said to me: 'Yes, a great thing for us if we lived in the United States, but not for us here.' And then they have said: 'Ah, well, since Uncle Sam wants it, I will vote for it. Was that a problem in patriotism or not? The greatest problem which lies before the Canadian people today is assimilating the vast population flocking to the West. How are we going to do it? By having hon. gentlemen stand in their places and charge conspiracy between the Lords of the Admiralty and the leaders of this House? Are we to have duress alleged against British public men? Are we to have our country made a commercial adjunct to another? These are the things we have to consider. But, these gentlemen tell me: They have assimilated a great population in the republic to the south. But I should like to make an observation about that. I stood in the city of New York last fall, after the Balkan trouble arose, and there saw flocking from the inland towns of the United States and from the prairies, Servians, and Bulgarians, and Greeks, selling their little all, converting it into cash and rushing to the front to fight for their country. Had that population been assimilated to the institutions of the United States? And if under their con-

ditions they were unable to assimilate such population, what about this country? What about this country if we are to have here men who endeavour to stir up strife and try to make the people believe that one party in the State is a party that they should not trust because of something which happened in days gone by before there was a Canada? The hon. member for Edmonton (Mr. Oliver) has gone to and fro throughout western Canada and told the American settlers that the Conservative party were the descendants of the party who brought about the American revolution, and the dumping of tea into Boston harbour. What brand of patriotism is that?

Mr. OLIVER: I wish to correct my hon. friend. He is absolutely in error in making that statement.

Mr. BENNETT: Well, I may be absolutely in error, but I should like to say that the stock speech of the hon. gentleman in 1908 was a review of Canadian history as he saw it with his distorted vision, and he told the American people then the Conservative party to-day was the old party that forced the revolution.

Mr. OLIVER: No.

Mr. BENNETT: That is what he did.

Mr. OLIVER: May I correct my hon. friend? I said that the Tory of to-day was the lineal descendant of the Tory party that had forced the rebellion of 1837.

Mr. BENNETT. It was not 1775 the hon. gentleman said?

Mr. OLIVER: No.

Mr. BENNETT: I am bound under the rules of Parliament to accept the hon. gentleman's disclaimer; but I may say that I shall hope, in the province from whence we both come, to prove conclusively to the satisfaction of those who may hear us both that the remark I have just made is true.

Mr. OLIVER: Mr. Speaker, is my hon. friend in order in making the statement he has just made?

Mr. SPEAKER: I understood the hon. gentleman to say that he had accepted the hon. member's denial; but he followed that by saying that he hoped to establish his contention elsewhere; and his remark is not one that can be taken cognizance of.

Mr. BENNETT: The hon. gentleman did not in terms deny it. I understand he did say seventy-five.

Mr. OLIVER: No, I did not say seventy-five. I have tried to make a polite contradiction of my hon. friend, but if he insists I suppose he will give me credit for being able to make it more emphatic.

Mr. BENNETT: Certainly, I will be delighted to give the hon. gentleman credit for being able to do it in his usual style. I would not like the hon. gentleman to be other than natural.

But to proceed. There is, Sir, another witness whose evidence is worthy of notice. I desire to read a few lines from the last Fortnightly Review. These are written by Mr. Archibald Hurd. In the public press of this country there has been much discussion about Mr. Hurd's book and members of the House have given it study and consideration. In the February issue of the Fortnightly Review they will find a very illuminating article by Mr. Hurd, in which he discusses the whole question as to whether there is really a menace so far as British naval supremacy is concerned. He says:

> Great as has been the rise of Britsh naval expenditure, it has been far less than the growth of the expenditure by some of the great powers on the continent of Europe.

Then he says:

> We are confronted with a simultaneous and dramatic movement towards naval expansion in northern and southern waters. In the North sea Germany is building and concentrating a fleet inferior only in strength to that of Great Britain, and in the Mediterranean her allies, hitherto of almost negligible value as sea powers, are equipping themselves with first-class fleets. These three countries, hitherto relying for their legitimate defensive needs upon armies which upon a war-footing would comprise about nine million five hundred thousand mn, are now creating fleets of a size altogether out of proportion to their legitimate requirements, giving those armies an almost unlimited range of action. In the spring of 1914—that is, exclusive of the vessels which will be laid down this year—the naval strength of the Triple Alliance will be as follows:—

	Germany.	Italy.	Austria.	Italy and Austria.
	North Sea.	Mediterranean.		Total.
Battleships	39	12	11	23
Armoured cruisers	8	5	1	6
Protected cruisers	30	3	4	7
Destroyers	108	22	18	40
Torpedo boats.. ..	..	57	48	105
Submarines.. ..	36	26	12	38

In this table are included only battleships of less than twenty years of age, armoured and protected cruisers of less than fifteen years, and torpedo craft of less than eleven years, thus excluding all obsolescent ships.

This represents the naval conditions which will exist a little more than a year from the present date. By March, 1915, Germany will possess forty-three battleships in the North sea, and Italy and Austria will possess twenty-seven in the Mediterranean, while the strength of the three powers in other types of ships will also have increased.

It is axiomatic that the main strategical theatre for the British fleet is in northern

waters, where the German navy is now, and will continue to be, concentrated; there British sea power must be maintained in unchallengeable strength. In order to achieve this end, the British battle squadron has been recalled from the Mediterranean, and thus, while grave injury was done to British prestige, the basis upon which the expansion of the German fleet has hitherto proceeded has been upset.

In view of these facts, can it possibly be said that we are not face to face with a grave menace in this Empire? and if there be a menace how can we possibly meet it except by an earnest endeavour to co-operate for our common defence? I shall not further labour that point, I shall leave it because it seems to me to be conclusively proven by the memorandum so often read to the House, by Mr. Hurd's article, by facts that no man can controvert, because the building of a ship is a fact that any man may know of. These facts speak more eloquently than any words, that there is a real menace to the supremacy of the British navy. Having proved that, I proceed to a discussion of the next reason why I give support to this measure.

I say, thirdly, it is our duty to do so as a self-respecting people. This has been challenged. Articles have been written in the public press and speeches made by hon. gentlemen opposite saying: We owe no duty to England, we owe her no sense of gratitude and are under no obligation to her. I think the hon. member for Queens and Sunbury aptly described the situation by saying that it is quite apparent that if we have about us any sense of that thing which we Anglo-Saxons call duty, any regard for our own self-respect, we should, at least, be induced to make some contribution to the naval forces of Britain. Let us look at the facts stated in 'The growth of the Empire,' a book which hon. gentlemen opposite are familiar with. The author says:

> We should never forget that the home Briton pays in peace time nearly two-thirds of his income tax (5d on the £) as interest on that capital and therefore as the price mainly of colonial freedom. The figures are worth having:
>
> £35,000,000 was the price of Nova Scotia and in part, of India, since the profits of the Assient contract went to establish the British Company in India.
>
> £87,000,000 was the price of American freedom—the expulsion of France from Canada—and if £116,000,000 was spent in trying to retain within the Empire the colonies which had already cost so much it was scarcely too dear a price at which to buy the minister of a personal monarchy and the bankruptcy of monarchial France.
>
> Finally £621,000,000 spent in the great European war that crushed Napolean and established our supremacy on the oceans, is the price of Australia, South Africa and of the power to expand into new lands without disturbance that we enjoyed for seventy years after Waterloo——

And it has been shown to this House that Great Britain has spent not less than $150,000,000 in this country for naval and military purposes since 1867, and upon canals, public works and improvements of all kinds the money of Great Britain was lavishly expended prior to 1867. I do not refer to money we have borrowed, I do not refer to the credit given to us; I shall deal with these presently. But I do say that there is no people in the world who have had so much money freely expended in their country by another nation as the Canadian people and that the duty and obligation under which we are to Great Britain cannot be measured in mere dollars. It is more than dollars—it amounts to millions of pounds sterling, almost in the aggregate a billion pounds. The junior member for Halifax (Mr. Maclean) said that was done for Imperial purposes. It may well be that England having thrust upon her these large responsibilities expended these sums of money for her very existence and for Imperial purposes only. But it must not be forgotten that during all these years the commerce of this country has been carried freely on the seas. I was born by the sea, the people where I lived were people who went down to the sea in ships. I know, as no doubt most hon. gentlemen know, that the safety of our commerce on the high seas has been insured by the naval power of Britain. The seaborne commerce of this country amounts to over a million dollars a day. It was over $400,000,000 last year. It has amounted during all the years since we were a people to hundreds of millions of pounds, billions of dollars, and I ask you and I ask this House if it is not fair, to put it on the lowest level, that we should make some payment by way of insurance premium to guarantee its safety. Every man insures his property against loss by fire or cyclone or water as the case may be, and we have been going to and fro on the high seas; as the Minister of Marine says, 'the pathless sea has been our road.' During all these years we have carried the products of our country across the sea in safety because of the naval supremacy and power of Britain and to-day I would vote for this measure because it pays $35,000,000, if you will, as a premium for the insurance of the safety of our commerce. But, Mr. Speaker, the grain growers of the West are as much interested in this as anybody. I saw the other day that they passed a resolution. They said they believed in peace. Certainly, we all believe in peace. But, as we all know, there has been a constant menace of the greatest powers by the lesser growing powers since the world began. The only way in which you can ever be sure of peace is by being so strong that no combination of forces dare attack us. That is

the only way in which we can be safe, and by which we can have peace. The grain growers of the West know that their products are being carried to every part of the world secure and safe by reason of the insurance policy which they hold, and which is the flag of Britain. They know that fact, and every man knows it. There are no people in Canada who are more dependent ultimately upon the supremacy of naval power than the men who inhabit the great plains of the West. I have talked with them, and I have never talked with an American settler in that country who has not said that he regarded it as a standing disgrace that we had done nothing to pay our premium on that insurance which enables us to carry our products over the sea in safety. All those years we have done nothing, and I say that, if you put it on the lowest possible level, that is, the material level, the sum we are offering to-day to pay for the maintenance of the security of our commerce by sea is indeed a very small premium.

We owe nothing, they say, to England. Well, Sir, when I was thinking this morning of what I would say this afternoon I was reminded of what the poet Browning said as he was homeward bound from his trip by the Mediterranean. He had left behind him the scene of the great battle of the Nile; he had passed the pillars of Hercules; he had seen the Rock of Gibraltar; he had seen St. Vincent in the distance, and he uttered these words:

> Here and here did England help me:
> How can I help England?—say.

And when I stand upon the deck of a ship coming up the St. Lawrence and gaze upon the plains of Abraham; when I cruise around lake Champlain and see the remnants of the old forts; when I move West and see here and there what was done for the purpose of enabling this country to be secured to the British Crown, I say with Browning:

> Here and here did England help me:
> How can I help England?—say.

And the only way in which we can possibly help Britain at this particular moment of peril and menace is, not by sitting in our places and passing resolutions, but by showing our willingness to give concrete expression to our thoughts, and by doing something for the upkeep and supremacy of that fleet which ensures our safety.

May I pass shortly, because I do not desire to trespass too long on the time of the House, to the next reason, namely, that I believe in co-operation in defence. Every speech to which I have listened from hon. gentlemen opposite, seemed to indicate that they think the supreme thing we should have in mind is a desire to safeguard our own shores. That is their policy; apparently that is their idea of naval defence. Now, I am going to use a few concrete illustrations that I believe the farmers of this country will be able to understand, that are not difficult at least, to understand. I will take one from the West, if you will. A gentleman owns a large forest. He has paid a large sum of money for the limit. It cannot be very easily separated from the limit of his neighbour, except by a line drawn by a surveyor. There are other limits which lie beyond him, a limit here, and another limit there. Take the great timber limits that stand on the banks of the Saskatchewan, for instance. What is the greatest menace to these forests, and to the forest limits in British Columbia? It is fire. Some hon. gentlemen suggest there is another great menace, the menace of graft. But we will leave that out for the present, and say it is fire, the danger of fire. Let us see what this means. Would any intelligent man, whose limit was threatened, not co-operate with his neighbour to devise an efficient scheme of fire defence? What man would sit still and say: 'I do not care about protecting the front of this forest; my limits are back there, and all I am going to do is to blaze a little pathway and if fire comes I will be all right anyway.' But when the fire comes, what happens? Not only is the forest that belongs to his neighbour destroyed, but his goes with it. My hon. friend from Edmonton (Mr. Oliver) knows what happens in the case of prairie fires. I have seen little villages and hamlets in the West threatened by prairie fires. What do they do? The people get together and put a fire-guard round the whole town. They do not content themselves with putting a fire-guard round Smith's house or Jones' house or Brown's house. They do more than that; they say, 'we will co-operate for the purpose of protecting our entire village or hamlet by an efficient fire-guard.' I come as I have said from a province by the sea. What happens there? There are great marshes that have been reclaimed from the sea by dykes. I see before my mind's eye the dong dykes on the Bay of Fundy, by which hundreds of acres have been reclaimed. There is a great sea-wall maintained by the combined action of the proprietors of the marshes. It is not compulsory action, it is voluntary, because they realize that if the sea broke in, their whole property would be ruined. What happens? I remerber one proprietor who said, 'I am tired of contributing to the upkeep of this great sea dyke.' He said, 'My marsh is miles away, and I do not care about it; I will put up a dyke of my own.' And so he built on his own property from the sea dyke to the shore, a side dyke that he said would care for his own property. One night there came a great gale and a huge tide, and the weak dyke, to the upkeep of which he

refused to contribute, was broken, the flood rushed in, and not only were these marshes ruined, but his little side dyke which he had put up was swept away in the twinkling of an eye, and his marsh was destroyed with the rest. Sir, that is the case here exactly. Let me go a step further. Suppose I live in a great city. There is one section of that city where there is a great danger from fire, where masses of inflammable material are stored, and there is a great lumber mill. I own a building, and they say to me that I should co-operate with my friends in the same block to put up a great fire-wall to save it from destruction and disaster. I say, 'No, I am going to make my office in this building absolutely fireproof, and I put a fireproof floor in my rooms in the block. One night fire burst upon that block and my building is gone, and with it my own office which I said I was going to make fireproof. That, Sir, is the position of the British Empire to-day. Upon the North sea there is a great fire wall, a great dyke, a great protection to the upkeep of which we are asked to contribute. We are asked to say that we will build here a dyke or a wall that will be sufficiently strong to protect us from the menace that is threatening us. Hon. gentlemen fold their arms and say: 'No, we will buy a Niobe for Halifax, a Rainbow for Vancouver and a Minnie M. at the Sault and we will be safe.' Is that their idea of safety?—a privateer, a gun-boat and a cruiser? The commonest farmer in the country, with the least possible intelligence, the commonest man who toils upon the plains and is threatened by a forest fire, the homesteader, the man with his little home—these men know that co-operation is absolutely essential to efficient defence against a common foe. Every man knows that. Hon. gentlemen prattle about a Canadian navy, they talk about the navy they will build some time in the future while the dyke, while the fire-wall, vanishes. That great floating wall in the North sea would be impregnable with three more dreadnoughts, but lacking three dreadnoughts it might lack the strength which would enable it to withstand the force of the enemy. If history teaches us anything it at least teaches us that if we desire to give a common defence to a common thing, whether we call it an empire or a county, we must do it by co-operation. That has made the United States what she is?—co-operation of the several states. Has each state built a navy? Have the states upon the Pacific built navies, have the states upon the Atlantic built navies? No, they have co-operated for the common defence. Take Germany; does each of the kingdoms, duchies and grand duchies of Germany have a navy for itself? No, they band themselves together by co-operation to make themselves efficient for the common defence. So it is with the dual monarchy of Austro-Hungary,

and so it was in England in the days of yore when Drake pushed out from Devon to defend her against the approaching foe. Men came from Devon and from other parts of England but, instead of disputing as to whether they were from one county or another, they united together in the common defence to fight against the common foe. I submit that the strongest possible reason that can be given to this House for the passing of this legislation is that the only way to secure efficiency is by active and vigilant co-operation.

The only difference that exists between hon. gentlemen on your right, Mr. Speaker, and on your left, is that we realize frankly this fact and I submit that they must realize it too but they will not be frank enough to say so. Some of their speeches indicate that they believe that co-operation makes for efficiency. There are a few men who say that the best way of protecting the British Empire is by having a fleet unit on the Pacific and on the Atlantic. Where will the battle against the British Empire be fought? Will it be fought off Halifax or Vancouver, or in the North sea? Some would think from the size of the ships proposed that these hon. gentlemen believe that the battle would be fought in the St. Lawrence or on the Saskatchewan, near the city of Edmonton. The hon. member for Red Deer (Mr. Clark) would seem to think that it would be fought on the Bow river, or on the Elbow, near Calgary. So much for the high conceptions of these hon. gentlemen. After all, the principle of co-operation is the only one that can be applied to a system of efficient defence. They talk about fleet units, they talk about coast defence, torpedoes, torpedo boat destroyers and they talk about everything except immediate action. I think the right hon. gentleman who leads the Opposition made some classic allusion, and if memory serves me aright, the seer of old to whom he referred gave utterance to these words, 'Attack now,' 'Strike now.' If we are to do anything for the benefit of the British Empire why should we procrastinate, why should we delay, why should we say to-morrow and to-morrow we will do something? Why should we not frankly face the enemy and say that without active co-operation on the part of every Dominion of the Empire beyond the seas with the Empire itself there can be no official defence? They know it and I know it. It is true that in Australia they are building a navy because they have contributed up to the point where the people have reached that degree of patriotism along Imperial lines that they are now content to build their national navy. They know that the menace which threatens them upon the Pacific is not the same as the menace which threatens us. They have the great peoples of Japan and China looking with jealous eyes upon them and during many

long years they have contributed to the cost of Imperial defence, as did New Zealand, as did the great self-governing Dominions of South Africa, the Malay States and the other dominions. They have done so with a full knowledge of the fact that if the power of Britain goes down, if it is successfully attacked, down goes Canada, down goes Australia, down goes New Zealand and down go the colonies of Britain everywhere. Let that fact sink deep into our minds. Let us not forget that when the might of Britain has been challenged successfully by an adversary and her floating walls fall before the attack of the enemy, the flag that floats over this building will be struck without a single enemy being landed upon our shores. That is a fact that any man who studies history must know. All the Monroe Doctrines and all the other doctrines in the world will be powerless to save us. Hon. gentlemen complain of the fact that sometimes members of this House talk about the little tinpot navy. You might as well depend upon a navy of tinpots as upon the navy that they are going to build. If the hon. member for Edmonton (Mr. Oliver) believes that there is a real danger, that there is imminent peril, then why does he put off for twenty years the building of a few ships to fight it? Why does he not rise in his might and with all who believe in co-operation strike for the cause of Britain and the cause of a common Empire?

Mr. OLIVER: I did not say that I was going to put off the building of a navy for twenty years. It was the hon. gentleman's leader who said that it would take twenty-five or fifty years.

Mr. BORDEN: Will my hon. friend be good enough to point out where I said that?

Mr. OLIVER: Yes, when my hon. friend was addressing the House upon the introduction of his resolution, I understood him to say in very definite words that Canada could not build a navy within twenty-five or fifty years.

Mr. BORDEN: I beg my hon. friend's pardon; I would ask him to point out at what particular place that statement appears. It has been repeated a great many times but not by any person of the position of my hon. friend. I did say that to build up a great naval organization comparable in any sense with the British organization would take twenty-five or fifty years. That statement has been tortured on a great many occasions in the House and notably by the hon. gentleman who has just expressed himself. It is absolutely inaccurate.

Mr. OLIVER: If I am allowed to produce the documents which are before the House I will have pleasure in doing so.

Mr. BENNETT: The hon. gentleman seems to have a habit of having a difference of opinion sometimes with his own party. I had about concluded what I was going on to say as to this particular reason why we should support this measure. But there is another reason that I would like to urge in support of this legislation and it is because I believe that this proposal makes for peace. If there is one reason more than another for the peace which we have enjoyed within the British Empire during all these years, it is that we have had a naval force such as no other power has had. Although some people may call Britain a bully we have had behind us a power so strong that we have been able to command peace. We talk about our hundred years of peace; we dream the dream when men shall war no more and swords shall be beaten into ploughshares, but the student of history knows that we depend for peace absolutely upon our ability to strike; and we must be able to strike harder than anybody else if we command peace. Hon. gentlemen opposite say they are going to build a Canadian navy, and the hon. gentleman from Red Deer departing from the faith of his fathers and the free trade of which we hear so much and see so little in practice, has told us that they are going to build in Canada a navy. Nothing more wasteful in so far as effort and money are concerned has ever been heard of. I would like to make myself clear upon that point. As I read history the creation of great armaments and the building of great battleships is an industry within itself. You cannot build a great battleship because you can build a merchant liner; you cannot build a great liner in a yard where you can only build a tramp; the building of battleships is a highly specialized industry. Let me read the words of Mr. Hurd in the Fortnightly, page 278:

> The construction of a dreadnought is a matter of such nice industrial organization and requires such a very specialized plant, that even Greece, Argentina, Brazil, Chili, and other fully established countries have refrained from good reasons from embarking on such an enterprise; and Russia, Spain, and Japan rely, partially or entirely, on the resources of the United Kingdom to supply their requirements.

How long do they say it would take to build a ship of war in this country? I say twenty years; I say we cannot build in Canada an efficient dreadnought in twenty years. What is the evidence of history on that point? Look at Japan—the ships that led in the great battle in the

Japan sea were not built in Japan. They were built in the shipyards of England and Scotland and took the water on the Clyde and on the Tyne. It is true we could build some sort of battleship in twenty years, but could we hope to build an efficient dreadnought in twenty years? I read the other day from one of the warmest patriots in the United States an article he contributed to a well-known magazine, in which is said:

> We cannot dispute that despite the fact that we have always money, always great resources, we cannot build as efficient a battle ship as they can build in England.

And why? It is because it is a highly specialized business, because there is a certain class of man, as is pointed out by Mr. Hurd, who have acquired a hereditary excellence in the pursuit of that industry. You say you will bring the men to Canada, but when you do you have struck a blow against peace. Why? Because the great battleship shipyards imply the expenditure of enormous capital and that capital is always seeking some return and they are always looking for more ships to build. An hon. gentleman who spoke the other day pointed out that one of the reasons you have battleships is that you had men going around like commercial travellers looking for trade. That is a fact. Since this debate began I read a very carefully thought-out article on the subject, in which it was pointed out that of all the wasteful things in the world, the greatest is the waste of capital in great battleship shipyards. And the reason was given that you cannot build a merchant ship in the same yard as these large war vessels are built in. What follows? It is against peace, that we should have these battleships built in our own country; it is against commonsense and economy because the cost of them would be 60 per cent or 70 per cent more than if they were built in England or in Scotland. As the hon. gentleman from Sunbury and Queens (Mr. McLean) pointed out: why spend eight millions or ten millions or fourteen millions or fifteen millions or more than we are obliged to pay? If we must build battleships, let us build them where they can best be built and most cheaply built without establishing a battleship industry in this country. The industry we want in this country is the steel merchant ship-building industry; we want the milling industry; we want these industries that will give employment to the largest number of our people under the present conditions of this country. And, in this connection let me refer to that convert to a protective tariff which this debate has brought about and which perhaps after all is the greatest thing it has done; it has added to the protectionist ranks the hon. member for Red Deer (Mr. Clark).

My sixth reason in favour of this policy is that it is a step towards the consolidation and the organization of the British Empire. What is the destiny of this Canada of ours? What are our ideals? These are two questions of vital importance to the people of this country and especially to our younger men. Men cannot flourish and neither can nations unless they have ideals. There can be but one destiny for this great land, and I wish to examine for a moment the policy now before the House and the policy of hon. gentlemen opposite in the light of what I consider will be their effect upon the destiny of Canada. We must have annexation, independence, or Imperialism. I heard the other day the ex-Postmaster General (Mr. Lemieux) scorn the word 'imperialism': I have heard man after man on that side of the House talk about his particular brand of imperialism. Sir, I have a definition of my own for Imperialism and although it may not commend itself to all the members of this House, I ask you, Sir, what is an Imperialist? An Imperialist is a man who accepts gladly and bears proudly the responsibilities of his race and breed. That in my judgment is an Imperialist. There are, as I say, three destinies that lie before this country, and on the second destiny that I have referred to, that of independence, I wish to speak at some length. I will dismiss annexation, although at one time there was a considerable body of public opinion in this country in favour of annexation, but the idea has been adandoned. On the question of independence let me say that there is no doubt of the fact that the Dominion of Canada may become an independent country if it likes. I have never had any doubt but that Great Britain would not stand in the way of this country becoming independent if the people so desired. The statesmen of England who have shaped and controlled and guided public opinion in the last fifty years have made it apparent that if we desire to become an independent people we might; that nothing would be done by the Motherland to prevent us; that they would raise no objection, but would bid us God-speed and wish us well as we started upon our independent career. That seems to me to be perfectly and reasonably clear. But, Sir, is there any body of public opinion in this country in favour of independence, and should there be? Well, we might almost conclude from the terminology of the language and the derivation of the words, used by hon. gentlemen opposite that they have a settled policy of inde-

pendence. This comes as no new thing to many men. I am stating a fact that is well understood in many quarters in this country. It is generally understood that many of those who direct the lines of thought and policy of the Liberal party in Canada to-day are men who believe that the ultimate destiny of Canada is to be independent.

Mr. OLIVER: Mr. Speaker, might I ask if my hon. friend is entitled to ascribe to hon. members on this side motives which must be considered treasonable?

Mr. SPEAKER: It is not permissible in debate to attribute motives to hon. members.

Mr. BENNETT: Far be it from me to attribute any motives to hon. gentlemen opposite. They themselves have by their actions and words made their motives so clear that there is no necessity for attributing motives to them.

Mr. OLIVER: Mr. Speaker, is my hon. friend entitled to emphasize the statement he made a few moments ago, and which I have had occasion to say was unwarranted?

Mr. SPEAKER: I think the hon. member might well have avoided the inference which he made, after the ruling of the Chair.

Mr. BENNETT: I certainly had no desire in any way to transgress the rules of debate, and I was not in any way attributing a motive to hon. gentlemen opposite. I intend to deal with hard facts of the language before I conclude and to request any reasonable man to ask himself what it means. If the letters i-n-d-e-p-e-n-d-e-n-c-e spell independence, then hon. gentlemen opposite have declared for it; if they do not do so, then the hon. gentleman from Edmonton is right.

The hon. gentleman who leads the Opposition, for fifteen years with buoyant revenues and expanding trade directed the destinies of the Dominion of Canada. He attended colonial and Imperial conferences. He refused time after time to take any share in the advancement of the common interests of the British Empire by way of defence. He was within his rights, if he desired so to do. He said that it would be an interference with the autonomy of Canada, and he says that autonomy is dearer to him than the British Empire. That is the effect of his language. He has a right to say that. If any hon. gentlemen opposite concludes that he desires more the autonomy of Canada than the supremacy and maintenance of the British Empire, he has a right to say so. British public men have made it clear, as I have said, that they will not interfere with the views which the right hon. gentleman has expressed.

Mr. MACDONALD: Would my hon. friend be good enough to explain the statement made by Sir Charles Tupper in which he declared that he was proud of the fact that he had prevented any contribution from Canada to England while he was in control of affairs here?

Mr. BENNETT: Certainly, I would be delighted to explain that, for I have a note of it here; and I am going to discuss that in the light of the then existing conditions. No man should know or knows better possibly than the hon. gentleman from the old county of Pictou that conditions and circumstances change in the twinkling of an eye. He perhaps remembers—

Mr. MACDONALD: Changed with you just now.

Mr. BENNETT: Pardon me. I hope the hon. gentleman will not smile when I conclude.

Mr. MACDONALD: Oh, I will. You need not worry about that.

Mr. BENNETT: Well, there are none so blind as those who will not see. Lord Granville, as Foreign Minister, went to the Foreign Office on a Monday; he was told by the permanent under-secretary that never in his time had the sky of Europe been so clear, and on Wednesday the Franco-Prussian war was on. That is all. Sir Charles Tupper well said that at that time he stood out against contribution, and the reason he did so was because he believed that we should work with an ultimate goal in view, namely the bringing about of a consolidation of all the self-governing colonies of the British Empire where every one would find representation in a truly Imperial Parliament. He believed that at that time to merely make a contribution would be to set back the wheels of the movement to which he gave so much of his long and splendid life. That is what I say to the hon. member for Pictou. I intend to deal a little further with that matter before I conclude. As my friend from Frontenac (Mr. Edwards) reminds me, the best evidence of what Sir Charles Tupper thinks is the fact that he is strongly in support of the Bill, the second reading of which is under discussion.

Mr. MACDONALD: Would my hon. friend be good enough to explain the letter sent by Sir Charles Tupper to the Prime Minister begging him not to go back on the agreement of 1909? That is not so very long ago.

Mr. BENNETT: As I read my 'Hansard,' the right hon. gentleman who now leads this House has not gone back on the agreement of 1909. I read his speech and he de-

clared in clear and unqualified language, which has been quoted time without mind in this House, that if he were to be placed in power, he would go to England and ask those gentlemen who are charged with responsibility for the maintenance of Britain's power upon the high seas—who have since conspired with him—if there was a present danger.

Mr. MACDONALD: That was not in 1909; it was in 1910.

Mr. BENNETT: Certainly that was in 1910, but the resolution of 1909 must be read in the light of history of 1910. The hon. member for Red Deer (Mr. Clark), who reads the free trade speeches of Cobden, knows he must read the utterances of 1854 in the light of the history of 1912. Every man knows that. Those who saw the hon. gentleman from Edmonton (Mr. Oliver) as he retained his seat when the National Anthem was sung at the first reading of this Bill, know that you must read that in the light of his subsequent explanation.

Mr. NESBITT: Does my hon. friend mean to say that any man in the world was thinking in 1909 of what he was going to say in 1912? We like to hear a man talk reason.

Mr. BENNETT: Mr. Speaker, the hon. gentleman from North Oxford has struck the very crux of the difference between the two parties, the one speech of to-day having in mind the obligations of to-morrow, the other speech of to-day having in mind place and power; one speaks with the prescience of a statesman, the other with the clap trap of a politician. Those who speak with the prescience of statesmen sit now to your right, Mr. Speaker.

Let us examine the case of the right hon. leader of the Opposition to see whether I can support my conclusion from his attitude towards this and other questions. That distinguished gentleman has of course left upon the public life of this country a record, one of which I believe he is proud. In 1885, he was endeavouring to obtain power; he had been out of power since 1878. In 1887 there was an election, and he appealed to the national prejudices of the people of one province, because he contended that a man who had been adjudged by the Privy Council to be justly convicted of treason had been as he had said judicially murdered. Those were his words 'judicially murdered.' There is not much difference between a reflection upon the Privy Council of this Empire such as is contained in the two words 'judicially murdered,' and the allegation of duress and conspiracy from the junior member for Halifax. He was not content with that. We have recently, in the published volume of Reminiscences by the late Sir Richard Cartwright, had a lurid light cast on that campaign. We read that the day after the election, the Hon. Edward Blake resigned, and Sir Richard Cartwright says that he gave no reason for resigning, but he also says that he was breaking no confidence when he said to the people of this country that he had the assurance that there were a number of Conservatives from Quebec who had gone back on Sir John Macdonald because he had not prevented the execution of Reil. And Mr. Blake was beyond that bait, as he was beyond the bait in 1891. And it remained for the right hon. gentlemen opposite to accept, the leadership of the Liberal party under the conditions that are portrayed in the reminiscences of Sir Richard Cartwright. But that is not all. We remember the appeals that were made in 1891, when Continentalism was the issue. And I come to a speech that the right hon. gentleman delivered in Boston in that year, in which he said, speaking of the difference between England and Canada—and I want the hon. member for Edmonton to listen:

> But this dependence will not always last, even now Canada and England have many different interests, and the day will come necessarily, when they will have to part. When the hour of separation comes, we will part as friends, as when the son leaves his father's house to become the head of a new family.

Does the right hon. gentleman think that now? The young men of Canada would like to know. I am prepared to sit down and give place to him if he will answer. And I pause for a reply. Does he say that now?

Some hon. MEMBERS: Oh, oh.

An hon. MEMBER: Childish.

Mr. BENNETT: It may be childish, but there are thousands of young men on the western plains, men not brought up under English institutions, who are looking to this Parliament to see what are the thoughts and sentiments of the men who direct the policies of great parties. And they are anxious to know, and on their behalf, with their ideals and aspirations and ambitions, I ask the right hon. gentleman, with his seventy years' of experience, whether or not, the opinions he expressed in Boston he holds now. And I have the right to ask any public man his opinions. It is a proper and a pertinent question. He may journey to Damascus and be converted and so become Paul the Apostle; but unless he gives evidence of conversion, and unless he journeys to Damascus, we have a right to assume that he is still Saul of Tarsus, of old. Nor is that all. One would have thought that enough, but what more do we find? A few years later, still carrying on this propaganda by which

he ultimately succeeded in the great province of Quebec, he said:

I hold out to my fellow countrymen the idea of independence; but whenever the day comes, it must come by the consent of both countries, and we shall continue to keep the good feeling and the good will of the Motherland. If we are true to our own record we will exhibit to the world the unique, the unprecedented, example of a nation achieving its independence by slow degrees and as naturally as the severing of the ripe fruit from the parent tree.

True to their record are they, some of these hon. gentlemen? They say they are consistent. Have these hon. gentlemen been true to their record? 'By slow degrees.' What evidence they have given of the truthfulness of that! 'By slow degrees'—a Niobe here, a Rainbow there, a fleet unit to-morrow, something else the next day—'by slow degrees!'

Some hon. MEMBERS: Oh, oh.

Mr. BENNETT: Yes, I can understand the groans of these hon. gentlemen. Sir, it is part of their life as a political party. They founded the Nationalist party in Quebec, as I shall prove. I shall prove by incontrovertible evidence that the men who set the heather afire in the province of Quebec and made their base appeals to Nationalist sentiments of that province were the men who now sit to the left of the Speaker. I heard the ex-Postmaster General (Mr. Lemieux) talk about his 'stalwart Canadianism.' He was the prince of Nationalists. Let us look at his record. Let us listen to this Minister of the Crown as he speaks with his voice, which is now on the other side—or at least he says it is. I have here a quotation from La Patrie, November 21, 1890. It gives an account of a meeting of the Club National. Who founded it? Who gave it this name 'National'? The Liberal party then out of power in the province of Quebec, and the name they gave to that club for the propaganda of their doctrines was 'Club National.' The hon. member for Rouville (Mr. Lemieux) in the exuberance of his youthful verbosity, brought forward and supported a resolution. He is a student of the political history of this country; he holds himself out as one of its leaders; the young men of Canada have a right to know what he means when he talks to the Postmaster General (Mr. Pelletier) about his Nationalism. It would almost seem that there must be a little jealousy, or something of that sort; but that cannot be, for great minds are never infected with that vice. Let us look at this resolution. I think my translation is fairly correct, and if it is incorrect the hon. gentleman himself will set me right:

The resolution proposed by Mr. Rodolphe Lemieux——

I take it that that is the ex-Postmaster General. Am I correct? There is only one in all this wide world—

Two weeks ago, and adjourned for discussion, reads as follows:—

Whereas the members of the House of Commons recently voted an address to Her Majesty the Queen, expressing the sentiments of the Canadian people in favour of the maintenance of British connection.

We all remember that address passed in 1890, while the great chieftain who is now no more led the Conservative party.

And whereas the members of the Club National of Montreal have already expressed their opinion on this question——

What was the opinion? It was against it, as we all know.

—and that it is the duty of young men to say from time to time what they think of our relations with the Mother Country.

Other times, other manners, other men.

Be it resolved, that without pronouncing on the opportunity of the said address to Her Majesty, and whilst protesting their respect for the members of the House of Commons of Canada, and of their loyalty towards the August Sovereign of the United Kingdom, the members of the Club National disapprove of any policy tending to alienate American sympathies at a moment when public opinion energetically demands the establishment of closer commercial relations between the United States and Canada. That although professing a sincere admiration for the English constitutional system——

Who that heard the hon. gentleman the other day would have thought that this was the Rodolphe Lemieux of long ago.

While professing a sincere admiration for the English constitutional system, the members of this club express their wish and desire to obtain by all constitutional means the independence of our country and its complete emancipation from all European bondage.

British connection called bondage by the ex-Postmaster General; I would ask the hon. gentleman for the sake of the thousands of young men on the western plains, are these his views now, and I am willing to allow him to answer now if he desires?

Some hon. MEMBERS: Oh, oh.

Mr. BENNETT: The groans of the hon. gentlemen show that they are afraid he might answer. The report in La Patrie proceeds:

After speeches delivered by Messrs Lemieux, LaRochelle and Chaffers the resolution was carried unanimously.

Since when was it the habit of this country to call the ties which bind us to

the Mother Country 'European bondage'? Are those the views that he now holds or has he journeyed to Damascus? Or is it that the hand is the hand of Esau but the voice is the voice of Jacob. We would like to know. I commend that seriously to the consideration of that great patriot, the member for Edmonton. I commend this utterance to his distinguished leader for consideration. Let him go to the western plains and explain to the new settlers the aspirations and ideals of the right hon. gentleman who leads his party and the ex-Postmaster General.

Mr. CLARK (Red Deer): That is very easily explained, I can explain that.

Mr. BENNETT: I think so, but not the gentleman who uttered them.

Mr. CLARK: I notice that you do not give me a chance.

Mr. BENNETT: I apprehend that the hon. gentleman will have ample opportunity to speak after me, and as he did not use these words I shall not ask him to explain them. I shall give him the same chance on free trade. I have his little speech in Calgary, where, under police protection, he enunciated the naval policy of the Liberal party.

Mr. OLIVER: Might I correct my hon. friend? I had the privilege of being present with the hon. member for Red Deer at a meeting in Calgary at which a number——

Some hon. MEMBERS: Order, order.

Mr. BENNETT: I would like to hear what the hon. gentleman is saying.

Mr. OLIVER: I was at that meeting and neither the hon. member for Red Deer nor myself was under police protection, or needed police protection, nor was there any effort, so far as I know, to have police protection, notwithstanding the presence of a number of ruffians, who, I believe were sent there by my hon. friend.

Mr. BENNETT: The city police force were called in by Ald. Frost and the records of the newspaper the next day show it. There is a gentleman in this city—not on my side of politics—who will verify that statement, because he told me about what the policeman did. That is not all. The hon. member for Edmonton called those who interrupted ruffians.

Mr. OLIVER: Hear, hear.

Mr. BENNETT: Who were these ruffians?

Some hon. MEMBERS: Conservatives, Tories.

Mr. BENNETT: I will tell you who they were. One stood upon the deck of the Condor before the guns of Alexandria, one stood at Tel el Kebir, and one upon the sands of Egypt as the square was broken by Fuzzy-Wuzzy. These were the ruffians.

Mr. OLIVER: Hear, hear.

Mr. BENNETT: The men who had always been used to stand to attention when the National Anthem was sung. These were the ruffians, the men who offered their lives for King and Queen and country, who wore upon their breasts the medals and decorations of their sovereign. One stood at the saluting point on the great day when Kitchener and the Khedive hoisted the British and Egyptian flags at Khartoum.

Mr. OLIVER: It may be they were all right there but they were not able to break up a Calgary meeting all the same.

Mr. BENNETT: They were all right? They were ruffians a moment ago, now they are all right. There was no effort to break up a Calgary meeting.

Mr. CLARK: Yes, there was, I was there and there was.

Mr. BENNETT: These gentlemen came there. What prevented that meeting from being broken up but police protection?

Mr. OLIVER: The decency and commonsense and respectability of the honourable citizens of Calgary prevented it being broken up, notwithstanding the presence of the ruffians sent there by my hon. friend.

Mr. BENNETT: It is absolutely false and untrue that I sent these gentlemen or any others to that meeting. It is true that on the evening in question, at Paget Hill, a well-lighted and warm hall, on an inclement night, some few citizens gathered together to hear the Laurier naval policy explained by the hon. member for Red Deer and his colleague from Edmonton. They came there to bear the great explanation and the great renunciation. They came to hear the hon. gentleman from Red Deer renounce his faith in free trade, and to hear the hon. member for Red Deer explain why he kept his seat while those about him sang the National Anthem.

Mr. CLARK: I rise to a point of order.

Mr. BENNETT: I mean the hon. member for Edmonton.

Mr. OLIVER: If I may be permitted to correct my hon. friend, there was no person in all that meeting, so far as I remember, who asked any question in regard to whether I stood or sat while the National Anthem was being sung. They had better sense.

Mr. BENNETT: No, they did not need to ask; they knew. Oh, Sir, it was a great

night and a great scene worthy of the great occasion, the great renunciation. You can all picture the hon. member for Red Deer as he declared in favour of a navy built in Canada, owned in Canada, manned in Canada; this disciple of free trade, who has gone to and fro throughout this great Dominion, especially in western Canada, condemning, in season and out of season, the steel industry at Sydney; making light of, and laughing at our endeavours to build great industries, suddenly converted to the policy of protection, and saying he believed at least, in giving a little protection to the battleship industry. It was delightful, and it was interesting and amusing. When it came to the hon. gentleman from Edmonton—ah, then, Sir, it was delightful. There they sat, side by side, the little Englander and the little Canadian, the disciple of the Lancashire school and the disciple of that nameless school of obscure vulgarity whose graduates sit in their seats while the National Anthem is sung. No one cared, says my hon. friend from Edmonton, to ask whether he did this thing or not; they knew, and whenever the word 'navy' was uttered, up they stood and sang Rule Britannia, and when the word 'Empire' was mentioned, they sang God Save the King.

At six o'clock, House took recess.

After Recess.

House resumed at eight o'clock.

PRIVATE BILLS.

CANADIAN ACCOUNTANT ASSOCIATION.

House again in Committee on Bill No. 88, to incorporate the Canadian Accountants Association.—Sir Rodolphe Forget. (Mr. Deputy Speaker in the Chair.)

On section 2—objects and powers.

Mr. OLIVER: This clause is quite different from that which appears in my copy of the Bill. I suppose it is the clause as amended?

Mr. BORDEN: Yes.

Mr. OLIVER: May I ask if this amendment was agreed to when the Bill was up for consideration in Committee of the Whole?

Mr. BORDEN: I am not a member of the Private Bills Committee, but I was informed by my hon. friend from Argenteuil (Mr. Perley) and some others that it was considered in the debate before the committee that the powers granted by the original Bill should be very considerably cut down. The Bill as originally drawn was opposed before the committee by the Dominion Chartered Accountants Association. That association stated that they would have no objection to the Bill in its present form. As I understand it, the object is to provide an association which shall be able to include in its membership those persons who do not carry on business for themselves but are salaried accountants for companies and corporations. They cannot be members of the Dominion Chartered Accountants Association. Eventually, after some discussion, this form of the Bill was arrived at. That is what has been conveyed to me by members of the committee. Other than that I nave no more information than my hon. friend.

The membership of the association shall consist of accountants who have passed the prescribed examinations, and of such persons as the directors may admit as non-certificated members until such time as they have passed the prescribed examinations, and of whose qualifications and fitness the directors approve.

Mr. CARVELL: Would not the latter part of the clause practically nullify all value that this corporation may have? I understand that this is an association of chartered accountants. It seems to me that a man can be taken in as a sort of honourary member and remain there until such time as he has passed his examination. Would it not be possible that a member could be taken in without passing his examination and without possessing the necessary qualification?

Mr. BORDEN: I really do not know anything about the Bill except as it appears before the House. I understand that the persons allowed in under these circumstances cannot get any certificate of their efficiency or competency until they have passed the examination.

Mr. CARVELL: I have not the amended section before me but, as the chairman read it, it struck me that any person may be a member regardless of fitness so long as the association chooses to take him in. There is no time limit and he remains there practically forever. If he wants to take the examination at some time well and good, and if not, it does not seem to make much difference.

Mr. BORDEN: I suppose that in the meantime his membership would not do him very much good?

Mr. CARVELL: I do not know, Mr. Chairman, but it might do some harm.

Mr. BORDEN: It might.

Mr. CARVELL: He might be employed as accountant and people might invest money in an enterprise on the strength of this man's certificate. If the thing is to be of any use at all it should be composed of men who are properly qualified.

Mr. PERLEY: The intention of this section is that the regular membership of the association shall be made up of those who have passed the examination. The non-certificated members are young men who want to become members.

Mr. CARVELL: Important transactions may be handed over to these young men and on the strength of their reports the public may be invited to invest money. I think it is a mistake to admit to membership gentlemen who cannot pass the examination.

Mr. PERLEY: I speak from the knowledge I obtained by attending the committee and I may say that in the first place these are not chartered accountants and they have no right to use the name. They are salaried accountants who work for a salary with some of the large companies and the young men are not certificated members but are in reality apprentices and are admitted as non-certificated members until they are permitted to pass the examination.

Section agreed to.

On the preamble:

Mr. OLIVER: This is called the Canadian Accountants' Association, there is also the Chartered Accountants Association; could a member of either association use the letters C.A after his name? If so, it would create confusion.

Mr. PERLEY: Section 11 was inserted by the committee to ensure that the members of this association could not use the letters C.A. after their names. It provides that they can use no title in contravention of any provincial Act and in the province of Ontario the Act specifically provides that only chartered accountants can use the letters C.A. If in any other province there is at present no legislation to prevent these gentlemen from using the letters C.A., section 11 is so worded that the provincial legislature can at any time pass legislation similar to that in Ontario.

Mr. OLIVER: Is there a Dominion statute in regard to chartered accountants?

Mr. PERLEY: There is a Dominion Association incorporated in 1902, known, I think, as the Dominion Association of Chartered Accountants, but the the membership in that is made up entirely of the members of the provincial associations of chartered accountants.

Mr. SHARPE (North Ontario): There is nothing in this legislation to prevent the members using the letters C A.A. (Canadian Accountants Association), and if that be so then it is likely to be confused with the use of the letters C.A. (chartered accountant). Perhaps it would be better to call it the Accountants' Association instead of the Canadian Accountants' Association.

Mr. MURPHY: Perhaps it would avoid confusion if this were called the Dominion Chartered Accountants' Association.

Mr. CARVELL: I would suggest to call it the Montreal Chartered Accountants' Association, because all of these gentlemen come from Montreal.

Mr. LEMIEUX: I asked the Minister of Justice last night to give a more elaborate opinion as to the power of this Parliament to pass such a Bill as this, and as the Minister of Justice is not present perhaps the right hon. the Prime Minister would make a statement on that point.

Mr. BORDEN: The object of the association apparently extends all over Canada; the Bill would permit the work of the association, such as it is, to be carried on in every province. I would not think the objects of the association would be limited by the mere fact that the persons who are incorporated in the first instance may happen to reside in one province only. As far as the name is concerned, perhaps it would be well to have it considered a little further. The object is to select a title which will not confuse the object or the certificates or the membership of this association with those of the other associations alluded to.

Mr. LEMIEUX: My hon. friend from Argenteuil (Mr. Perley) might consider the advisability of adding to the Bill a clause similar to the one which we added last night to the medical Bill, that is to say, that the present legislation shall not affect the powers granted to similar associations having provincial charters.

Mr. PERLEY: I am afraid my hon. friend has not seen the reprinted Bill. Section 11 specifically provides for that:

> Nothing in this Act shall be construed to interfere with or impair legislation upon the subject of accountancy now or hereafter enacted by legislative authority of any province of Canada, or as giving to members of the Association the right to use any name, title, initial or description as accountants in contravention thereof.

Preamble stands.

Progress reported.

INTERCOLONIAL TRUST COMPANY.

House in Committee on Bill No. 58, to incorporate the Intercolonial Trust and Investment Company.—Mr. Barnard. (Mr. Deputy Speaker in the chair.)

Mr. PUGSLEY: I desire to call the attention of the right hon. leader of the

House to this Bill. It is proposed to change the name from 'The Intercolonial Trust and Investment Company' to 'The Intercolonial Trust Company'. Now, 'Intercolonial' is the name applying distinctively to the Intercolonial railway. Would not the name given to this company convey the impression that this was a trust company organized by the employees of the Intercolonial railway? I believe the point was raised when the Bill was in committee by the hon. member for South Renfrew (Mr. Graham). I think it is worthy of consideration, and I understand that it was to be thought over.

Mr. BARKER: This title was considered by the committee and the words 'and investment' were struck out, because the main business of the company is as a trust company, and so the name was made, 'The Intercolonial Trust Company'. I do not think there is any possibility of confusion as betweeen the Intercolonial Trust Company and the Intercolonial raiway.

Mr. PUGSLEY: What I mean is that it would convey the suggestion that this company was in some way connected with the employees of the Intercolonial railway. Suppose it was the Intercolonial Provident Association, or the Intercolonial Accident Association, the whole public would be under the impression that it was in some way organized by the employees of the Intercolonial railway. The word 'Intercolonial' has no significance in Canada except in connection with the Intercolonial railway. The component parts of this country are not colonies but provinces. This might be called the Interprovincial Trust Company. That would indicate, if the promoters desire it, a company doing business throughout Canada.

Mr. BARKER: This company has been in existence for some years under this title, and it never occurred to the committee that the Intercolonial Trust Company would be confounded with the Intercolonial railway, any more than would an Intercolonial bank. This company comes from British Columbia, where, they do not consider the Intercolonial railway everything in the Dominion. But I really do not see why a trust company or any other company should not be called 'intercolonial' as well as the railway. There can be no possibility of confusion.

Mr. PUGSLEY: If the company has been engaged in business for some time under that name my objection would be removed and I would withdraw my opposition.

Bill reported, read the third time and passed.

THIRD READING.

Bill No. 86, to incorporate the British North-Western Mortgage Company.—Mr. Aikins.

SECOND READINGS.

Bill No. 122, for the relief of Minnie Edna Brownell.—Mr. Oliver.

Bill No. 123, for the relief of Alfred Milton Durban.—Mr. Oliver.

NAVAL FORCES OF THE EMPIRE.

Mr. BENNETT (Calgary): Mr. Speaker, when the House rose at six o'clock I was endeavouring to point out that the hon. member for Rouville had a political history that was very interesting to those of us who have listened to him during the last few days in his very strong declaration of a desire to serve the British Empire in its Imperial policies. I referred to the resolution which he moved before the Club Nationale, in 1890, and now I would like to direct attention to another article of which I am informed he is the author. I refer to his famous article under the name of Junius. There was a Junius known to fame and history, and it is quite true that the hon. member for Rouville emulated him. The great Junius, it is said, effected many reforms, and I doubt not that the hon. member for Rouville thought that he would effect reforms, but the reforms he endeavoured to effect under the name of Junius were reforms to which I think some of us do not take very kindly. I find that on April 21, 1893, under the name of Junius he wrote:

> We are being submitted to all the caprices of the cabinet of St. James and the Colonial Office. Let a diplomatic difficulty arise between London and Washington, what will happen? Our country will be used as a battlefield by these two belligerent nations. Not only will Canadians become food for cannons, but what is graver still, they will have to shoot at the million of their compatriots who emigrated to the United States and were naturalized American citizens. That fact alone shows how false and untenable is our position. Independence alone will put an end to the sufferings we endure, and as Mr. Mercier said in Sohmer Park, such independence we must demand—first, through necessity; second, through patriotism; third, on account of its material advantages; fourth, because we are able to live as a distinct people.
>
> The hour has come when the country must be saved——

Save the mark.

> —from disaster and ruin. The moment has arrived when all courageous men must demand with energy our share of the national heritage. Let us cease to be the property (la chose) of England——

I do not think property is a very apt translation but it is the best I could get.

—and let us be free! We have nothing but a borrowed flag, let us hoist our national colours in open daylight, and, for God's sake! let the Canadian flag cover in its folds all the races living on our soil. I should blush for my country if she blessed again the chains which are binding her to England.

The experience of a century must have opened the eyes of Canadians on the blessings of the colonial bond. We have emptied the cup of humiliation, drop by drop. Better it is to disappear than to be for a still longer time the subjects of a foreign Crown. 'Potious mori quain fœdari'.

Mr. LEMIEUX: Does my hon. friend contend that I wrote that?

Mr. BENNETT: I have only the authority of a gentleman to whom the hon. member recently confessed that he was the Junius of that time. Perhaps I am mistaken.

Mr. LEMIEUX: My hon. friend is not well informed. I know that he has been looking for such literature for the last few days, from an employee of the Government. I happen to know that, but he has not been well informed. I never wrote that article and I hope my hon. friend will not contend that I did write it.

Mr. BENNETT: Far be it from me to allege that the hon. gentleman wrote it if he did not. Does he know if he wrote to Le National under the pseudonym of Junius?

Mr. LEMIEUX: I never wrote to Le National.

Mr. BENNETT: I mean Le Canada; did the hon. gentleman write under the pseudonym of Junius?

Mr. LEMIEUX: I have never written to Le Canada under a pseudonym.

Mr. BENNETT: I am delighted to have the hon. gentleman's circumlocution with regard to this letter.

Mr. LEMIEUX: I rise to a point of order. There is no circumlocution; there is a flat denial, and I hope my hon. friend will accept it. He has been badly informed. The gentleman who is employed in the Department of Justice and who gave him that information has badly informed him.

Mr. SPEAKER: The hon. member (Mr. Lemieux) rises to a point of order and I have only to say that the hon. member (Mr. Bennett) is obliged to accept his denial and not attempt to reconstruct it in any way which would leave the impression that the denial is not correct.

Mr. BENNETT: Certainly, Mr. Speaker, I do not desire to leave that impression, but I did not gather from what the hon. member for Rouville said that he denied that he had written under the pseudonym of Junius?

Mr. LEMIEUX: Mr. Speaker, there have been many Juniuses in this history of literature, but I am not the one who wrote that letter. Besides I may tell the hon. gentleman that Le Canada did not exist at that date.

Mr. BENNETT: It was Le National; I was quite right in what I said. Will the hon. gentleman say that he did not write to Le National under that pseudonym?

Mr. LEMIEUX: Neither in Le National nor Le Canada did I ever write under that pseudonym.

Mr. BENNETT: Then I understand my hon. friend to say that he did not insert the article in question?

Mr. LEMIEUX: I did not write that article.

Mr. BENNETT: Well, I perfectly understand that the hon. gentleman denies writing this letter, but I can tell him that the gentleman to whom he refers in connection with this matter is not the gentleman that he suspects.

Mr. LEMIEUX: You are all wrong; you do not know Quebec politics.

Mr. BENNETT: I quite admit that I do not know Quebec politics, and I hope never to know such Quebec politics as those represented by public men who a few years ago headed the National campaign and who to-day stand up in this House and denounce others for being associated with that party.

Mr. LEMIEUX: You are all wrong.

Mr. BENNETT: God forbid that I should ever know politics such as those if that is what the hon. gentleman means.

Mr. WILSON (Laval): You had better come down to Quebec for a couple of days and you will know more about that province than you do now.

Mr. BENNETT: Thanks for the invitation; I shall be glad to accept it, for there is no province where I have seen more hospitality or greater kindness extended to visitors.

Some hon. MEMBERS: Hear, hear; that is better.

Mr. BENNETT: I was proceeding further with the examination of the political history of the hon. member for Rouville. I said this afternoon, what I perfectly well believed, that he was a prince of the Nationalists from 1890 to 1896, and that when the Liberal party assumed power that hon

gentleman consistently maintained the campaign which is represented by the resolution which he moved in the Club Nationale. That campaign, throughout the country villages of Quebec, he maintained in season and out of season and when the Naval Act of 1910 came before this House, as is shown by 'Hansard,' one man after the other from that province, rose in his place and said that he supported the policy of the right hon. leader of the Opposition (Sir Wilfrid Laurier), then leader of the Government, because it made for independence and that is the point I am endeavouring to prove.

The hon. member for Pictou (Mr. Macdonald) this afternoon asked me why this party did not support the resolution of 1909. Hon. gentlemen opposite, then in power, placed upon that resolution the construction that it made for the independence of Canada and for an independent navy. We upon this side of the House said that we would support no policy that does not have for its basis and foundation co-operation with the Mother Country and with the navy of the Mother Country. Speech after speech appeared in 'Hansard' and did the hon. member for Rouville, then a Minister of the Crown, rise in his place and disclaim this sentiment? Did the right hon. leader of the Opposition rise in his place and disclaim this sentiment? No, they were content that throughout that great province of Quebec these appeals should be made and the passions of the people should be inflamed and aroused because they thought that it would get them a few votes, and tend to keep them in power. That was the great desideratum at whatever price might be paid. These are the facts, they are upon record and they cannot be denied. Can any hon. member deny that? Is it any wonder that it created amongst young men of the province of Quebec those who were called Nationalists? It is true I do not know the province of Quebec, but I know that there is no province in Canada where the young men, the middle-aged men and the old men read and think politically as much as they do in that province. Day after day, week after week and year after year, they imbibe political knowledge at every possible opportunity. What happens? They look to their great leaders to lead them aright and yet, at the heyday of his power the right hon. leader of the Opposition, his then Postmaster General and his Minister of Marine and Fisheries, were leading the young men of Quebec and it was by devious pathways that they led them. They led them through the by-ways and highways of nationalism. In resolutions, in clubs, in speeches in the rural hamlets and on the back concessions, in every part of that great province, and notably in the Drummond and Arthabaska election, these hon. gentlemen opposite preached their doctrine. What doctrine did they preach? they preached the doctrine that there should be a navy in this country because it was a navy that led steadily towards the independence of Canada. The time has come when that hypocrisy should be unmasked. The time has come when the people should understand the truth with regard to these public questions. Young men enthusiastic, filled with hope, ambition, and aspirations for the future of their country, followed this lead. They were seduced from their allegiance to this country by the false lights on the shores, and they steered by those beacon lights. You remember that in the olden days the pirates of Cornwall, filled with a desire to wreck a merchantman and rob the cargo, planted false lights upon the shores and the mariner coming up the channel steered by these false lights, ran upon the rocks, his ship was wrecked and fell into the hands of the men who hod placed the false lights. That is what they have done in the province of Quebec. They have placed false lights on the shore and these young men, steered by these false lights until they saw shipwreck before them. The time has come in this country when these ideas should be exploded, when the people should understand where the two great parties stand upon this great issue. For the last fifteen years the party of these hon. gentlemen insidiously preached the doctrine of separation and independence, they preached it in the great province of Quebec, they raised the passions and the prejudice of the French-Canadians, of the young men of that province and with what result? They sowed the wind and reaped the whirlwind; nothing but disaster has beset them. And, what would the people of Quebec gain by independence? Nothing. On the contrary, they would have everything to lose, and why should not our young French-Canadian fellow citizens be told that? The rights which they enjoy against the possible tyranny of majorities are guaranteed them by a statute of the Imperial Parliament and behind it is the might and the greatness of England and interpreting constitutional questions, there is that great tribunal the Privy Council of England free from political bias and the taint of politics, to declare that the constitution shall be maintained and the rights of minorities preserved. When in this House I hear every motion read in the two languages I realize the power and the greatness of Britain; I realize the concessions she has made to minorities and the protection which she affords them. I say to my French-Canadian fellow citizens, in all seriousness, that if they regard highly, as I believe they do, those privileges and rights which are vouch-

safed them by the constitution, it is their duty to fight with every power that lies within them against the independence of this country. Look at the French-Canadians in the United States, over one million of them; they have nothing like the rights which the constitution of Britain affords to know that the French Canadians in the Does anyone think that in any legislature of the United States a motion would be read in the French and English languages? We know that the French Canadians in the United States have not the right to have the French language used in their schools. nor have they their religious rights guaranteed to them. When a statute has been passed by the Parliament at Westminster you have the might of England to enforce it, and depend on it England will see that any rights guaranteed by that statute shall not be violated. The time has come when the young men who have been imbued with Nationalist ideas in the province of Quebec should cease to follow the false lights that beguile them and take their stand against the insidious doctrine of independence. I ask these young men to remember that if ever the time should come when a constitution was to be framed for an independent Canada, that that constitution will be framed by the power and might of majorities, and that in time of stress and strain that constitution will not in all likelihood protect them as they are now protected. In South Africa; in every country over which the flag of Britain floats, the rights, the privileges, the concessions which minorities are justly entitled to are granted to them, and maintained by all the might and power of Britain. Nothing could be more unwise, nothing could be farther from the truth than an attempt to lead young men into that false haven of rest wherein they are made to believe that their interest could best be served by the independence of Canada. In 1910 Mr. Henri Bourassa gave to the people of this country some insight into the propaganda that was carried on in favour of independence. He told of the conspiracy that had existed between a few millionaires in New York and certain persons in Canada. The latter we cannot identify with certainty, but we can take what he reports in his paper at a time when he was a confidential adviser of the Liberal party in Canada and a close friend of the leader of that party. Over his own signature in Le Devoir on October 8, 1910, Mr. Bourassa, in an article entitled Le Complot Annexioniste (the annexationist plot), wrote:

> In November, 1892, at the time of the elections which brought Cleveland to power for the second time, I was in New York with my good friend Charlie Devlin. . . We met many Canadians—among others Mr. Gorman, the editor of the Free Press, who died since. . .
>
> Mr. Gorman introduced us to different people, amongst others Erastus Wiman, then at the top of prosperity, and Richard Croker, totally glorious over Cleveland's election,—the last great victory of Tammany Hall.
>
> Erastus Wiman invited us to dinner with a colleague of Mr. Fielding in the Nova Scotia government. and a minister from British Columbia. Naturally, there was no question of any plot, but these gentlemen spoke much of reciprocity and even a little of annexation. . . .
>
> Shortly afterwards, I met an old uncle of mine, a bitter annexationist. . . He began his usual song on the blessings that continental union would spread over Canada.
>
> But, finally, said he, if the Canadians persist in not seeing clearly, in allowing themselves to be dominated by the curés, at least, why not free them from the yoke of England? You are young; you ought to adopt the cause of independence. If any group wished to undertake a campaign in favour of independence, we could find the necessary means of action; there would be a million dollars at your disposal for founding newspapers, organizing meetings. etc.
>
> Where would you find the money? I asked naively.
>
> In United States.
>
> Thank you. I should not take American money for the purpose of making a Canadian propaganda.
>
> You are more scrupulous than your leaders.
>
> That is possible. But, putting aside the question of public morals, do you think that, if the Americans are ready to supply a million to the cause of independence, they will not take proper measures so that this pseudo-independence will be nothing but the vestibule of annexation.
>
> A few months later Mr. Mercier began, in the Canadian centres of the New England States, that campaign, unexplainable in the eyes of the general public, in favour of the independence of Canada. It terminated rather abruptly.
>
> I already had sufficient indication to be convinced that this oratorical tour was connected with the mysterious projects the existence of which I had vaguely suspected in New York and which my old uncle had allowed me to perceive a little more clearly.
>
> But it is only later, much later—towards the end of my stay in Ottawa—that I got the key of the whole mystery.
>
> Was the prime idea started in Canada or United States? I am not sure of that. At all events, Erastus Wiman was the middleman between the negotiators. And some day in the winter of 1892-93, he had them meet in New York. Messrs. Mercier, Tarte, Goldwin Smith, L. J. A. Papineau, were there, on the Canadian side. Who were the Americans they met personally, I really do not know. But I know that Messrs. Levi P. Morton and Andrew Carnegie were among those interested in the scheme.
>
> The affair was well advanced. Mr. Mercier was to take charge of the initial fights in favour of the independence of Canada, which he did shortly afterwards. But when the

question of funds came up, Mr. Goldwin Smith spoiled it all. He stated that he was ready to go on with the newspaper campaign he had long since started in the open, in favour of continental union, but that he should never consent to take part in an organization wherein American money would be used to deceive Canadian people by favouring annexation disguised behind the mask of independence.

Mr. LAMARCHE: Does my hon. friend know that in that same article, which I read very carefully at the time it was written, Mr. Henri Bourassa over his own signature concludes that the only logical course for us French-Canadians and all Canadians in this country was to maintain British connection and not to sacrifice it?

Mr. BENNETT: Why certainly, and that is the very point I was leading to. Mr. Bourassa pointed out the false lights which were held out to allure the young men of Quebec and he further warned them of the shoals to which they were drifting. He pointed out to them that the best way to maintain their rights and privileges was by maintaining British connection.

Mr. WILSON (Laval): Is my hon. friend willing to state on the floor of this House that the province of Quebec is looking for independence outside of party politics?

Mr. BENNETT: No question could be more simply answered. My friend has not quite followed my argument. I was pointing out to him that the Liberal party, in season and out of season, while out of power openly and while in power insidiously, had been leading the people of the province of Quebec openly to espouse the cause of independence.

Mr. WILSON (Laval): Is this what my hon. friend means—that the Liberal party of the province of Quebec is looking for independence?

Mr. BENNETT: I have no hesitation whatever in saying, as I have been endeavouring to do, that the public utterances of the leaders of the Liberal party are such as to lead the great mass of the electors of Quebec to support independence, and they have failed. But that is not all. They have not confined these appeals to passion and to prejudice to the province of Quebec. I do not say that these appeals were made in that province alone. They were made in every province where it was hoped in a remote locality that an appeal might succeed in keeping hon. gentlemen in power at any cost, at any expense. What do we find? One of the most illuminating speeches that we have heard in this Parliament I submit was the speech made by the hon. member for North Waterloo (Mr. Weichel), when he rose in his place, representing a great constituency of farmers who came from Pennsylvania and other sections of the United States, some of them Germans originally and some of them coming from the old German families who had landed here and made for themselves a home. This young man openly proclaimed his desire to live under the flag which had given him protection and under which his people had prospered. It was an inspiring sight; but what did we observe last fall? The right hon. the leader of the Opposition openly touring the province of Ontario, went to and fro through that province and there accompanied him the ex-Minister of Labour (Mr. Mackenzie King) and he told the people of that country what they should do against this Administration. I say here in my place in this House that the sentiments to which the ex-Minister of Labour gave utterance at his nomination proceedings in the town of Berlin in the county of Waterloo were such that he should never hold office under the British Crown. Why? I read from the Globe newspaper of the 22nd day of August, 1911, these words:

> Hon. Mr. King reads extracts from Hon. Mr. Borden's speeches in the House of Commons, in which the Conservative leader referred to the danger of war with Germany, and urged the Government to go to Britain's aid with a dreadnought or a cash contribution.

These are Mr. Mackenzie King's words quoted in the Globe:

> Are the people of this country to place at the head of affairs a man who would be precipitated into such a position as this, who will take from the treasury, and who would have taken enough money to build two dreadnoughts and send that money to England, so that they could spend it as they please! and against what country? He was ready to send money to build warships to fight Germany.

Then the correspondence naively proceeds:

> A larger number of delegates were of German descent, and they loudly applauded Hon. Mr. King's statement.
>
> Referring to the candidature of Major Weichel, he asked: How are the Germans of this country going to stand behind him, when he is supporting a man who is taking such a stand in regard to the defences of the Empire?

And again the delegates loudly applauded.

Mr. Speaker, I hold it to be the duty of a minister of the Crown to do something to lead public opinion away from passion and prejudice. It is no wonder that he was rejected by the electors of that county. It is no wonder that those splendid citizens who inhabit that great county of North Waterloo, and who realize the benefits that come to them by reason of the power and might of the British navy, were prepared to say: we will support Mayor Weichel. Why? Because he stands for loyal devotion to the country in which we live, and under whose flag we have protection. Do you suppose that for a single moment any

leader of the Conservative party would take upon a platform in this country a man who would make such an appeal to the passions of a people? Do you suppose we would have the sight we had last fall when, going through the province of Ontario, and on platform after platform, this Mr. Mackenzie King was held up as an example He spoke to the citizens in the loyal town of Berlin and appealed to the German people, because Mr. Borden would, forsooth, if occasion demanded, build dreadnoughts to fight for the support of Great Britain against Germany. Under no system of parliamentary institutions that I have ever known would such conduct be permitted. It is alien and foreign to British parliamentary institutions. It is discreditable alike to our country and to parliamentary institutions that such a thing should be permitted, and it calls for the just reprobation of the electorate of the county who relegated back to that obscurity, from which he should never have emerged, the man who was guilty of making that appeal.

Let us go a step further. I notice that some hon. gentlemen opposite are making strong and vigorous appeals for an election, but the appeals come principally from those whom a wise electorate decided should not represent them. It is passing strange, is it not? When I came to this House, and when we were summoned to the Bar of the Senate for the first time to hear the speech of His Royal Highness, I heard a policeman who was standing guard crying out, 'members only,' and I observed a figure pass by under the arm of the policeman standing at the door. I thought I recognized the noble figure, and I discovered to my surprise, and I must say to my disgust, that it was the ex-Minister of Labour. So keen was his anxiety, so great was his desire to be in Parliament that he could not resist the temptation of rushing up to the Senate when the House was opened.

Another hon. gentleman says: We should have a plebiscite. If I understand aright the history of my country, it is the duty of a Government elected to govern to govern when it comes here with a mandate fresh from the people, to give its best thought and its best energy to the solution of the naval problem, having previously said to the people before it was called into power that it would do what it is endeavouring to do to-day. I say it is the duty of this Government to do so, and this Government will be derelict to its duty if it ceases its efforts day or night until it places upon the statute-book of this country this measure that testifies to Canada's unfailing loyalty and devotion to the British Empire and to her desire to maintain the naval supremacy of Great Britain. That is not all. Another hon. gentleman says that, if you pass this Bill, you set back responsible government seventy years. I am not sure whether he said seventy or a hundred. Another hon. gentleman says you cannot vote this money, because it is going to be spent beyond Canada. I look at the statute-books and I find that year after year we voted aid to poor sufferers by famine and calamity in China, Japan, Italy, and in the San Francisco earthquake, and to the victims of earthquake in the West Indies. To every part of the known world we have voted money for such purposes. Why? Because we have done it in the name of our common civilization and for the benefit of humanity. I say, there is nothing that could be done by Britons anywhere, by Canadians in this Parliament or in any legislature that will do more for civilization and the advancement of the rights of humanity than to vote this money for the maintenance of the British Empire. That, Sir, is my profound conviction, and I believe that I interpret aright the genius of the people of that part of Canada in which I live in saying that that is their view. For we realize that whatever our faults and failings—and they have been many—at least you can say that the British Empire has stood four-square to every wind that blows for the purpose of maintaining high and lofty ideals of Christian civilization.

But the hon. gentlemen tell us that responsible government is destroyed. I wonder what kind of responsible government he means? Does he mean the kind of which he has most knowledge, the kind that brought disgrace upon the fair name of the province of Ontario—a government of perjury, of forgery, of false voting papers, of bogus ballot boxes some of which were dropped into the lake, and the very ballots for which were printed in the printing office that he himself controlled? That is the kind of 'responsible government' I take it the people of this country think that he means; it is the kind that any man would understand him to mean. It is the only kind of 'responsible government' that could be mentioned that would be set back. What is responsible government? Every child in the fourth standard knows that it means that the money of the people shall be expended as their representatives in Parliament declare. And when the representatives of the people in Parliament declare that thirty-five millions of dollars shall be devoted to purposes of our common defence, that is responsible government in every sense of the term, and that is thoroughly understood by every man. It is a lovely state of affairs in this country when we are told that the King's subjects, sitting in one of the King's Parliaments, voting money for the defence of the King's Empire, are guilty of destroying responsible government and are

acting ultra vires of their rights. That is a lovely state of affairs.

I said this afternoon that I believed that perhaps this debate, after all, will be note-worthy in history for having seen the conversion of the only free trader left in Canada. It is no small thing, Sir, to bring to the ranks of protectionists so distinguished a gentleman as the hon. member for Red Deer (Mr. Clark). We honour his great talents and are glad to welcome him to the ranks of the protectionists. It is a delightful thing to think, as I said this afternoon, that Saul of Tarsus has now become Paul the Apostle, that he who threw the stones at Stephen—Stephen being the protectionist policy—now lauds him whom once he stoned. It is good to think that protection should be given to the ship-building industry, though the steel industry of Nova Scotia should be destroyed. Gathered at the memorable meeting at Calgary, there came many to hear the great renunciation. I remember reading in history somewhere that Galileo, who had said that the earth went around was called upon to renounce his faith, and as he declared his renunciation, he still said under his breath, 'But it does go round just the same. There are those in this country who believe the tradition that as the hon. member concluded his address in favour of protection of the battleship industry, he was heard to mutter under his breath, 'I am a free trader just the same'. There is that tradition current on the streets of Calgary, the great city I have the honour to represent. It is indeed a notable victory that we have brought over to us so distinguished a disciple of the doctrine of free trade.

Some hon. MEMBERS: Oh oh.

Mr. BENNETT: This is nothing to laugh about for I remember how the hon. gentleman's political life began in the province from which we both come. He sought the nomination of the Liberal party; they did not give it to him; and he published a letter and denounced them as not being what they should be—and ran just the same. And I remember his friendship for and great faith in one of the greatest of Englishmen, John Morley, now Lord Morley, of Blackburn. And I commend to his attention the words of that great literary man and statesman, 'Fidelity to conviction is one of the great mainsprings of human progress.' The Saul of yesterday is the Paul of to-day. I see the hon. gentleman is writing that down. I hope he will write it down. It will be a splendid thought to inspire him to noble zeal in the cause of protection; it will give greater brilliancy to his efforts, it will give greater power to his enthusiasm; and I hope, yea, I am sure, that in the years to come, we who witnessed that great conversion will be able, even as those who lived in Paul's day, to rejoice over this brand that has been plucked from the burning. I sometimes wondered, in the days before his conversion, why my hon. friend was so earnest a disciple of Cobden. I searched the works of Cobden, until I found what I thought must be the reason. I found something in one of his splendid letters—a paragraph—and then I thought I knew why my friend was a free trader and a Cobdenite. Cobden said in 1842:

> The colonial system with all its dazzling appeals to the passions of the people, can never be got rid of except by the indirect process of free trade which will gradually and impereptibly loosen the bonds that unite our colonies to us by a mistaken notion of self interest.

So it was that Cobden preached free trade to get rid of the colonies. And I can readily understand my hon. friend, coming as he did to this country with that strange idea of political economy with which his mind was obsessed, might well say with Cobden: The only way we can get rid of these wretched colonies is by the indirect process of free trade. And so we leave him. But in doing so I commend him once more to the splendid sight that must have dazzled his eyes when he beheld his honoured leader, a few years ago, wearing the Cobden medal. Think how his vision was dazzled as he saw that medal gleaming upon the breast of his leader. And I think how now he must feel like saying: No more can I reverence or revere that medal because I have departed from the faith of Cobden and become a disciple of the hated protectionist: Roll up the map of Europe, said Pitt: Put away the Cobden medal, says my hon. friend, it will be seen no more in the halls of Parliament; no more will it shine on the breast of his leader.

Now, I assert that in my judgment, independence is not in the interest of any part of this country. I quite understand that appeals may be made to younger men, to men who have not lived under British institutions and are not in full accord with British history. I understand the insidious appeals that can be made to such men. But I say that this must be rejected by the Canadian people, the veil of hypocricy and cant with which the true policy of my friends opposite has been disguised is be torn asunder the veil that keeps it from the vision of the Canadian people will be torn asunder and it will be seen in all its hideousness, and all its horror by those who love peace and hold truth in reverence. There remains but one thing more and what is that? The doctrine we have called

imperialism. The sneers and jibes with which hon. gentlemen opposite have spoken of imperialism are not warranted. I cannot conceive of any man who reads the history of this Empire being ashamed to profess his belief that one day we will be able to confederate these great groups of self-governing colonies and dominions with the Motherland into a great Imperial whole, one grand empire that will be the surest and best and noblest influence we have for peace, truth, justice and freedom. Wherever the British flag has gone, wherever Englishmen have planted the outposts of Empire, there has followed order, justice, liberty, freedom, equality under the law. That is the great thing, the right to worship God in any way men please, under their own vine and fig tree, and none may say them nay. Whether they be Mahommedans, or Hindoos, Buddhists or Catholics, Protestants or atheists, it matters not, all have equal rights under that great flag, and I say it is our bounden duty as loyal devoted British subjects to do what we can to maintain and sustain that civilization and the Empire that has made it possible.

I would like to point out what this means. I have been attacked time without number because they have said I have talked Imperialism. The Imperialism I have talked in the country I talk here to-night. It is the ideal and destiny of the Canadian people. What ideal are you to hold out to our people? By what word are you to conjure them, leading them in this young country into a broad and splendid patriotism? I have the words of a great historian, a gentleman whose conclusions will commend themselves to the judgment of every man in this country, the late Professor Lecky, who said:

> In the conditions of modern life no power is likely to maintain long a vast, scattered, heterogeneous empire if the central governing power within it has declined; if through want of efficiency, or moral energy, or moral purity, it ceases to win the respect of its several parts. It is no less true that the cohesion here may be permanently maintained by the wide diffusion of a larger and imperial patriotism, pervading the whole like a vital principle; binding men by the ties of pride and of affection to the great empire to which they belong, and subordinating to its maintenance local and party and class interests. If this spirit dies out, the movement of disintegration is sure to begin. No political machinery, no utilitarian calculation, will in the long run be powerful enough to arrest it.

I say the only destiny that can be left for our people, the only ideal that we can cherish, is the ideal of a great united Imperial Empire. I say that and I should like to direct the attention of the House to the fact that Canada needs it most of all. In the great island of Australia the governors of the several provinces are appointed from England, the population is largely English, and the same is true of New Zealand. In South Africa you have conditions somewhat similar and yet dissimilar. In Canada we are inviting into our country the greatest population in the world. The problem is essentially a western one. The members who represent eastern constituencies will in the long run have little to do with its solution. It is a problem that rests largely with the energy and youth of the West. I find as I look at the population returns that during the last seven years there have been brought into western Canada 663,625 people of British, continental and American origin and of that vast number less than 200,000 came from Great Britain and the United Kingdom. So that with a population of less than 1,500,000 inhabiting these three great provinces we have this vast proportion of that population drawn from sources that are not British, without knowledge of our history, with little regard to our traditions, caring nothing for our glorious past and asking us for a national ideal, some aspiration, some ambition, some hope by which they may be led. It is a great problem, a vast problem. Who can contemplate it without a realization of the greatness of our responsibilities. We have privileges such as no other people ever had. We have the richest country in the world. I have maintained and do maintain that our responsibilities are co-extensive with our opportunities. Therefore what must be the responsibility resting on this Parliament to give to these young men an ideal, an ambition and aspiration that will lead their minds along Imperial lines. The splendid example of the Scotchman, the Welshman, the Irishman and the Englishman, these men who still preserve their nationality while sinking it and subordinating it to an Imperial patriotism, is ever before me.

The problem is this: How can you maintain the autonomous rights of the several component parts that make up the whole and give to them a stalwart patriotism and love of their own country while at the same time subordinating everything to an Imperial vision? That is the problem; it demands the minds of statesmen, it demands the consideration of the best intellects and minds of our age. It is a problem worthy of solution and worthy of our race. Since when did we fear to accept great responsibilities through craven fear of being great? Since when did we palter with our destiny? It was Lytton who said: You cannot haggle with destiny, and we cannot haggle with the great destiny that has come to our race. Did you ever contemplate the awful responsibility if, by our failure to do our duty towards the Empire, Britain should fall. Contemplate a disaster in the North sea. Some scoff, some sneer. Sir, we in the West know better than anybody else what it would mean. I walk the sidewalks in

Calgary or in Edmonton, I look upon our tramways and our railways, our lines of transportation and communication and I know that I have them because I am a British subject. I know that to old England our people went and got the money that built those lines of communication. I contemplate not without anxiety the possibility that the money that goes for western development would be paid in tribute to the successful nation in a disastrous war, and then where would western development be? Where would our cities grow, where our street and railway lines and where the means of transportation and development? It would set back the wheels of progress a century. There are some who sneer and jeer and smile. The following article shows the vast amount of money which Britain has invested throughout the Empire:

It has been estimated that home investments within the Empire amount to the enormous sum of £1,652,000,000, or some £32,000,000 more than our investments in all other countries put together; and that of this total £391,000,000 has gone to Australasia and £365,000,000 to Canada... It is calculated that the preference given to the Colonies by the terms on which the British people provide their fellow-subjects overseas with capital is, at least, 1 per cent, and it has been stated by Sir Edgar Speyer—who cannot be suspected of Unionist prejudice—that the interest saved to the Dominions and Dependencies in this way is at least £10,000,000 a year. That is certainly a very handsome preference, given very largely out of sentiment, just as sentiment had much to do with the admission of some £650,000,000 of Colonial and Indian stocks to the list of British trustee securities. The Times, January 2nd, 1913.

Sir, this responsibility is the most awful that ever came to the representatives of a free democracy. It is a responsibility that might cause men to realize that we cannot palter with our destiny, Did you ever think what disaster in the North sea would mean to the teeming millions of India or the teeming millions of Egypt? Some smile and say, we will not accept these responsibilities. Why not? They are the responsibilities that belong to this race, this Anglo-Saxon race. There are our responsibilities. Britain did not seek them. Britain did not desire India or Egypt; she had them forced upon her. To let go our rule in India would be anarchy. It would be such anarchy as the world has never seen. The teeming millions of India would crush one another. There would be internecine strife, internal warfare, kingdom against kingdom and ruler against ruler. Look at Egypt; the same state of affairs would prevail. Blood would flow in the streets and rivers of that country. When I read the history of India under Curzon I find that he spoke of the ruins of ancient civilizations that he found on every side as he journeyed to Delhi. He saw these signs there. It is our duty to remember something of history. Phœnicia fell, Athens fell, Rome fell. The Dutch at one time commanded the seas even as we do, and they have fallen and are remembered as a world power no more. What assurance have we that Britain will not fall? The only assurance we have is the assurance that some day these great self-governing colonies, Australia, New Zealand, South Africa and Canada will get together, and with the Motherland create an Imperial Parliament where you will find their representatives sitting with the men who sit for English constituencies. If you sit in the gallery of the English Parliament at Westminster and look down on the House, you will see them devoting their time to Welsh disestablishment or to home rule; but the same men determine the policy of the Empire, though divided on the lines of partyism in their domestic politics.

I preach a new parliament, an Imperial parliament, where Canadians, Australians, South Africans and New Zealanders shall sit side by side with the English, Welsh and Scotch and Irish, and legislate for this great Imperial Empire. I have held out to the constituency which I represent, as I hold out to this House the vision of a wider hope, the hope that one day this Dominion will be the dominant factor in that great federation, when we may be able as the dominant partner to protect the destinies of the race and breed to which we belong, and the destinies of the civilization of which we are so proud, and of the Empire of which we will then form the predominant part. Ah, Sir, it is jeered at, laughed at, scoffed at. Hon. gentlemen opposite prefer independence to that vision. The difference between us on this as on this naval question is fundamental. It goes to the very root of the differences between the parties. The Liberal party legislates for to-day, and for power. It is content to preach any doctrine that will give votes and bring advancement, and give place and power to its leaders. It is content if there be something 'for the boys,' a little something here and a little something there; it is content with the doctrine of sufficient to the day is the profit thereof. But we preach a grander doctrine. The Conservative party believes that it is but trustees for posterity, that one day it will be held to account for what it has done with this great heritage of ours. I believe that ours is a land that we hold in trust for the millions that are and will be. The difference I say is fundamental, and the difference in the attitude of the leaders of the great parties is also different. Daniel Webster said that great men coined their age

and stamped it with their own image and superscription. The Liberals of this country contend that the right hon. the leader of the Opposition has coined his age and stamped it with his own image and superscription. I ask, Sir, what is the image that he has stamped upon it, and what will be the superscription? Ah, it is the superscription that counts. You know, Sir, and we all know, that men's minds are lifted up to nobler things by the superscriptions on the banners under which they serve. Sometimes a sentence inspires men to nobler actions, to higher ambitions and to loftier aims. The Liberal party goes to the young men of western Canada, men of hope and energy and youth, of ambition and lofty aspirations and high ideals, with this superscription upon its banner: 'Independence by slow degrees and as naturally as the separating of the ripe fruit from the parent tree.' On our banner there is inscribed a motto that will live as long as the language is spoken and the world lasts. Sometimes when I have a spare moment in the metropolis of the Empire, I like to visit the Abbey Church at Westminster, and read upon the floor and walls the lettered story of men of science and art, of statesmen, sailors, and authors who made this Empire great. And then I like to go to the other end of the city, to the old Cathedral Church of St. Paul's, and look upon the blood-stained banners on the walls which tell of the heroic effort and great endeavour of men who have made this Empire possible. Then I like to go down to the crypt, turn sharply to the left and gaze on the marble features of one who once sat in this House. And the superscription that he left to us is the superscription with which he stamped his age, and which still inspires us. The superscription that you see beneath the sculptured face in the crypt of St. Paul's of that great patriotic statesman, that great devoted British Canadian is this: 'A British subject I was born; a British subject I will die.'

Mr. M. CLARK (Red Deer): Mr. Speaker, if rhapsody were argument, and interjections logic, my hon. friend from Calgary would be an apt logician and a brilliant debater. I cannot recollect that I have ever had to speak in answer to a speech which ended with a peroration of one hour's duration, and having passed through this formidable and new experience I am sure I may very sincerely cast myself upon the sympathy of the House. Whenever I hear my hon. friend, and it is a good many years now since I heard him first, he reminds me of a story which Mr. Bright told once. Mr. Bright was listening to an hon. member of the Imperial House, and, as he listened, he turned to a friend and said, 'Mr. So-and-So makes a very good speech, if you do not listen to what he says.' That anecdote is not without some distant application to the hon. member for Calgary. Perhaps I ought to apologize for saying anything at all in reply to my hon. friend, because I belong to a class of the community, for whom, I am afraid, my hon. friend has very scant respect. I am a member of the great class—great in numbers, I mean—of Canadian farmers, and my hon. friend referred to the farmers in his speech to-night in a way which I think justifies me in saying that he has very scant respect for them. He referred to a certain number of them anyhow, as the commonest farmers with the least intelligence.

Mr. BENNETT: I beg the hon. gentleman's pardon. The hon. gentleman misquotes me. I said that I would appeal to the commonest farmer, or to the man of the least intelligence. I did not say, and the hon. gentleman knows that I did not say, 'farmers of the least intelligence' because he is a shining example to the contrary.

Mr. CLARK: I accept my hon. friend's correction. His distinction is very slight, and as a member of the farming class I must say that he put them in company so unintelligent that I still rather resent his reference to my class. It may be that I am one of the class of the least intelligence. I have considerable reason to think though that the Alberta farmers have made out a prima facie case for being considered intelligent by the scant attention that they always give to the speeches of the hon. member for Calgary. If I might further presume, belonging to this humble class of the community, I would like to give my hon. friend a piece of advice, and that is that he should always give other people credit for the same strength and honesty of conviction which he claims for himself and which I readily concede to him. He does not do that. My hon. friend, at the very outset of his remarks, said: 'No one knows better than hon. gentleman opposite that what I am saying is correct,' although he had been criticising them because they spoke in the opposite sense. Further on in his remarks he said that hon. members on this side of the House agreed with him if they only had the frankness to admit it. That is language which should not be held between one set of gentlemen and another, because there are two cool assumptions at the root of a statement of that kind. The first cool assumption on the part of the hon. gentleman who uses that language is that he is always right—let there be no doubt upon that subject. The second is that every-

body would concede that he is right if we were only as honest and frank as he is. I wonder that he has got to the middle period of life with a creed of that kind at all, because it is one man against the race. I would humbly offer him one word of warning, and that is that he would be well advised not to parade that particular state of mind too much in this very critical and commonsense assembly.

My hon. friend delivered a long speech. He talked for three hours by the clock, and much that he said might have been cut out of his speech if he had really referred only to what was pertinent to the question before the House. I do not know that a long description of a particular meeting was in order. I very much question it. I do not object to the description he gave of the meeting, although, if my hon. friend from Edmonton (Mr. Oliver) and myself had had any idea that the holding of a meeting in my hon. friend's constituency would set him in such a condition of hysterical excitement, we would have abstained, on the ground of common humanity, from going there. We have got him corralled in Calgary anyhow, in so far as Alberta is concerned. He is the sole representative of this great imperialism from that province, and we might have been, on grounds of common humanity, content with that state of affairs. What I was struck with, in reference to the Calgary meeeting, was the intimate knowledge which my hon. friend possessed of the people who attempted to break it up. Personally I did not resent the attempts of this body. It is always pleasing for me to hear any one sing Rule Britannia, although in the country in which I was raised we never sing it over empty ships. We always put men on them. If it had been desired only to have a policy that you could sing Rule Britannia and make a noise over, I should think that my hon. friend could have grown just as eloquent over the noise of big drums, and he would have given vent to just as strong expressions of his loyalty. Judging from some of the expressions of loyalty that we have heard I have no doubt that my hon. friend could have given utterance to the same expressions of loyalty over empty drums as ships. I do not intend to discuss the Calgary meeting further than to say that if the holding of a meeting in Calgary was any offence to my hon. friend, as an humble farmer, I tender him my apologies. I try to talk commonsense as a farmer sometimes, and I wondered whether, with such a gentlemanly and well behaved imperialistic following, the hon. gentleman, who has usually so much light to dispense, is living up to his traditions when he sometimes encourages breaking up a meeting even with singing Rule Britannia.

The hon. gentleman has referred to the young men of the plains. I do not understand where he gets authority to speak for the young men of the plains. He, like myself, has a political record in Alberta. He tried to lead the young men of the plains, but he was a horrible failure. The Tory party in Alberta went into one election under my hon. friend, and out of twenty-five members returned there were two Tories and my hon. friend was not one of them.

Mr. BENNETT: The crew of the Minnie M. were there too.

Mr. CLARK: Is not three hours and ten minutes pretty good? Try the silent rule. Modesty sits with much grace on inexperience, although it is not one of the most common adornments. Then, at the subsequent election my hon. friend had the honour again to lead the Tories, and in consequence of the success with which he did lead them in that election he elected two followers. Then he gave it up as a bad job and came to Ottawa. He does not seem to be quite comfortable here. He has been travelling the Atlantic a good deal, but I have nothing to say about that. My point is that, although my hon. friend speaks for the farmers of the plains he is not entitled to very high standing as the representative of those farmers.

Some of the reasons that he advanced tonight with reference to the question before the House make me think that he is not au fait of the subject. He tells us something about fire-guards and about how a man guards his limits. I never heard of people guarding limits in that particular way. To put a big guard around twenty miles of timber would be a very bad way of guarding it; because, if the fire reached it at one point, it is very clear that all the timber would be liable to go. If I had a limit I would try particularly to guard my own limit and let the other fellows do the same. That is what I want to do in the British Empire. I think my hon. friend's illustration is an unfortunate one. What he proposes, as far as I can understand, what he wants to teach us in this House and what he wants the men on the plains to understand, is that he should as a citizen of Calgary hire the fire brigade of Edmonton at three and a half cents on the dollar. I do not think he is happy in his illustration any more than in his argument.

He was very anxious to find out what the hon. member for Rouville (Mr. Lemieux) thinks of the opinions he held twenty-two years ago. Personally I am sure that my hon. friend from Rouville will not be offended when I say that I do not think that his opinions of twenty-two years ago are of very great interest to any human being. He was a very young man at that time; and, Mr. Speaker, some men get sense as they get older and some do not. I want to put it to my hon. friend (Mr. Bennett),

who has any amount of brains: does he place any importance upon the thoughts of a man not much more than twenty years of age? I recollect very well that Sir Charles Dilke, who became a perfect encyclopædia of parliamentary knowledge, was a Republican in his youth but he grew out of that and became an honoured servant of the King. Young men are flighty; I congratulate my hon. friend upon still being young.

The hon. member had great fun with me as a free trader. Like the Minister of Trade and Commerce, he thinks he has found some inconsistency in me because I believe in building ships in Canada. Would he argue that if I should refuse to import railways I would be an inconsistent free trader? I do not think so. Where the free trader comes in is that he wants to buy the material for constructing his railroads free of duty, and in the matter of ships in the same way you have a splendid example of what free trade could do in the case of Germany. No one but a free trader can believe in ships; the protectionist cannot. The protectionist would have a Chinese wall all around the country, and if you had a Chinese wall around the country you would not need ships. It is only the free trader who can have any belief in ships at all. How does the German Empire build her ships but by departing from the general policy of protection and introducing the material for the building of her ships under free trade principles? My hon. friend, I suppose, knows that Germany has no duty on the materials used in ship-building, and that is how Germany has made some progress in overtaking Britain in the matter of shipbuilding. I certainly cannot see where my inconsistency comes in. I say a free trader is the only man who has any use for ships and the only man who can build ships. It is because Britain is a free trade country and not a protectionist that she owns and builds one-half the shipping of the entire world. And, Mr. Speaker, I contend that I am within my rights as a true son of Britain when I want to see this daughter country emulating the Mother Country and becoming a great shipping power. There is no inconsistency about my views if my hon. friend would only take time to study them; he wants time to get to know about them and to see their full bearing. You cannot build ships if you have a nation suffering from hydrophobia; you must not be afraid of the water; if you want to build ships you must not be afraid of foreign commerce; you must be a free trader.

The hon. gentleman from Calgary paid scant courtesy to a very large section of the people of Alberta when he described me as the only free trader in Canada. That is a distinction to which I do not for one moment aspire. Why, there lately met in the city of Calgary—and the hon. member ought to know what takes place in that city—600 delegates representing 14,000 farmers of Alberta, and they passed a resolution unanimously in favour of free trade. The poor information of my hon. friend about the state of public feeling in the province of Alberta accounts for his failure to lead the Tory party to any fair measure of success in that province.

Mr. LAMARCHE: Will my hon. friend from Red Deer tell me if at that same meeting in Calgary to which he has referred a resolution was not passed respecting the naval policy of Canada?

Mr. CLARK: I am very glad to supplement the information I have already given by saying that five hundred and eighty-eight out of six hundred delegates voted absolutely in favour of no navy at all, and I will tell my hon. friend further that you can hold a good many meetings in Ontario which would give the same opinion.

Some hon. MEMBERS: No.

Mr. Clark: Is that so? I thought the Grange had carried through a similar resolution, and the Grange is an Ontario organization.

Some hon. MEMBERS: Oh.

Mr. CLARK: My hon. friends opposite laugh; take care they are not misguided about the opinion of Ontario. So far as I am concrned, I want to know the true way of handling this question, and I want to know also as correctly as I can find out what is the true opinion of the people of this country, because, great as is the imperialism of the member for Calgary, I do not think it is any greater than the apparent fear he has of going to the people of Canada. So far as I am concerned, I want to know what are the opinions of the people of Canada. There is a very large section of the people who, at any rate, are tired of this scare business altogether. We have been talking of having navies for the last four years, and the new ministry instead of looking into the needs of the people they were sent to govern, spend most of their time across the Atlantic hobnobbing and banqueting with the aristocracy over there. And one of these days the people will tell them where their duty is and in no uncertain way, if I am any judge of public opinion.

I want to make one more reference to my hon. friend from Calgary, and that is as to what he said about shipbuilding being a specialized industry and warning us off the idea that we can build dreadnoughts in Canada. The hon. member referred to the specialized industry as

it exists in the Old Country. I know something about that industry. I was brought up near the banks of the Tyne, and the very things to which the hon. member referred brought my mind back to a course of thoughts diametrically opposite to his as to our duty at the moment. Let me tell this House something about the ship-building industry of the Tyne. Sir William Armstrong as we knew him best became Lord Armstrong. In his youth he was a solicitor's clerk in Newcastle and had nothing to do with ship-building; there were no Armstrong works. Lord Armstrong died only a few years ago. He was, as I have said, a solicitor's clerk; but following the bent of his great genius he turned his attention to the application of hydraulic power, and to the manufacture of guns, and in his own lifetime he built up the stupendous works which give employment to some 25,000 people in the west end of Newcastle. That all happened in the lifetime of one man. Coming from the banks of the Tyne where that happened, I say: are we to produce no geniuses in the direction of manufacturing and ship-building in Canada? That is the answer to the argument of these hon. gentlemen opposite on that point. The Tyne, in the boyhood and infancy of men still alive, was a brook which would scarcely float a canoe, but the indomitable pluck and energy of the British people dredged and dredged until at some thirteen to fourteen miles up from its mouth they can take the proudest and largest vessels from Armstrong, Whitworth and Company, and from other firms down at Wallsend to the mouth of the Tyne and on to the open sea. We do not need to do that dredging in Canada; we have noble rivers ready to put our planks upon. The only thing that is necessary for our building ships is a little pluck and courage on the part of the present Government.

I do not apologize for taking a further part in the discussion of this very great question. It is so important that I hold that no debate can be too long, if it is going to help us in arriving at a wise decision. I was very glad to hear the remark with with which my hon. friend from Calgary (Mr. Bennett) began his speech. He said he felt that it was his duty to declare the reasons for the faith that was in him. I only hope that his example will be infections, and that some other members on that side, from whom we would like to hear, will not shrink from their duty. I hope their confessions of faith will be a little more condensed than that of my hon. friend from Calgary. They cannot be more sincere than he is, I am sure.

The extent to which this debate has gone has already done a good deal for a better understanding of this question The first thing it has done, in my judgment, is that it has established the unanswerable nature of the argument of the Opposition on this question. My right hon. friend the Prime Minister talked to us on this side the other night about speaking glibly of certain things with a want of knowledge. I hardly think that this was in accordance with his usual fairness to his opponents, because I should like to remind him that, if we talked glibly, a great deal of our talk was the mere quotation of speeches which he and his hon Minister of Trade and Commerce (Mr. Foster) made in March, 1909. If we did not have any knowledge at any rate we are within four years of the omniscience at which the party opposite has now arrived. A little patience should be extended to us because we do not come up as far as we might to the superior standard which it has now arrived at. I do not know what my hon. friend from Calgary was doing in regard to this question in 1909. The only hon. member of this House, who has declared that he could have led his country aright at that time if he had not suffered from his self-imposed silence, was the hon. member for East Hastings (Mr. Northrup). He told us that he knew at that time they were all wrong, but he kept quiet. My hon. friend from Calagary was not in this House, but he was a prominent, an extremely prominent and influential member of the Conservative party. We never heard that he made very much noise at that time. I do not think he dissented from his leader. In fact, I am very sure that if my hon. friend had been in this House in 1909, though he lectures us about our partisanship and seems to think he occupies a frame of mind which is as near impartiality as a human being can attain, he would have sat at the feet of the Gamaliel from North Toronto, and cheered to the echo one of the finest speeches that was ever delivered in this House against contribution.

When we talk glibly, we quote my right hon. friend the Prime Minister in favour of a certain governing principle, which was the governing principle of the right hon. the Prime Minister and of the party opposite at that time, and which is along the lines of the speeches that we are making on this side now. It was along the lines of the speeches which my hon. friend from Edmonton (Mr. Oliver) and myself dared to make in the town of Calgary. The governing principle at that time was a governing principle, the very foundation of right thinking upon the subject, that out of our own material and with our own labour we should build a Canadian navy and have it manned by Canadians. When we go to Calgary and announce that principle now, the people of that city sing 'Rule Britannia.' Why did they not sing 'Rule Britannia' to the hon. member for North Toronto

and my right hon. friend the Prime Minister when they commended exactly the same truths?

The arguments on this side of the House on this question are unanswerable. I wish to give one or two illustrations of how the Government and its supporters are derelict in their duty, until they either answer arguments that have been put up on this side or defend arguments which have been put up on their own side, or else admit that our arguments are correct. Take the case as between my hon. friend from Beauce (Mr. Béland) and my hon. friend from North Grey (Mr. Middlebro). A dispute arose on a question of fact. I myself and others had quoted Mr. Winston Churchill's speech to the shipwrights. My hon. friend from North Grey comes along before the bar of public opinion—he would be before the bar of public opinion on this question in North Grey—and says: 'Oh, but that speech of Mr. Winston Churchill's was made before he knew what the German naval estimates were.' That was a statement of fact.

Mr. BELAND: He insisted on that.

Mr. CLARK: My hon. friend from Beauce comes along, and says that that speech was not made before he knew what the German naval estimates were.

Mr. MIDDLEBRO: Does my hon. friend say that the speech made by Mr. Churchill on the 17th of March was not made before the German Naval Bill was brought down?

Mr. BELAND: The speech to the shipwrights was not.

Mr. MIDDLEBRO: My hon. friend said just now that the speech made by Mr. Winston Churchill on the 17th of March—

Some hon. MEMBERS: No.

Mr. CLARK: I said that the question of fact was this. Mr. Winston Churchill's speech to the shipwrights was made in the month of May. I quoted from that speech; so did other members on this side. My hon. friend from North Grey comes along and says that that speech in May was made before Mr. Winston Churchill knew of the plans of the German people. I am not bound to give an opinion on the question. I am dealing with the difference of fact and duties of the Government and of its supporters in debating this question. My hon. friend from Beauce put himself on record as distinctly contradicting in a matter of fact the statement of my hon. friend from North Grey, and no other member on the opposite side has yet contradicted my hon. friend from Beauce or supported my hon. friend from North Grey.

Mr. MIDDLEBRO: I was referring particularly to the speech of Mr. Winston Churchill on the 17th of March, and I said that that speech, which was delivered in the House of Commons, was delivered before the German Navy Bill was brought down. It is true that the speech which my hon. friend was referring to was delivered afterwards.

Mr. CLARK: I leave that point to the bar of public opinion. 'Hansard' will put us right in that little matter; but it is certainly a distinct difference upon a question of fact, which should demand the attention of other gentlemen who have not given a reason for the faith that is in them.

I come now to some difference of opinion between my hon. friend from Pictou (Mr. Macdonald) and my right hon. friend the Prime Minister. There was a very striking incident to show how our case is unanswerable in argument; at least it is unanswered. My right hon. friend the Prime Minister claimed, or we understood him to claim, that the right of a Canadian minister to sit on the Imperial Defence Committee was obtained by him last summer at the time he had consultations with the Admiralty. My hon. friend from Pictou comes along—and if ever a case was gone into carefully, he went carefully into that one—and he showed that the promise of a seat on the Imperial Defence Committee was made to the right hon. the leader of the Opposition a year before. Before a Government closures its supporters and then attempts to close down comment on the opposite side of the House, I contend that the Prime Minister or some member of the Government should clear up that difference of opinion on a question of fact. My hon. friend from Pictou elaborated in a most perfect manner the argument from Australia. This argument once appealed to my right hon. friend the Prime Minister, because he told us in so many words in this House in my hearing. I have read the words over and over again. This may be new to those who detect disloyalty in our opposition to contribution. The Prime Minister told the House in my hearing that contribution had been tried in Australia and had failed. Sir, the Australian case had considerable weight with the present Prime Minister at one period of his gyrations and travellings-round on this great question. If the argument from Australia was a good argument three years ago, it is our rights as an opposition to know from the other side why it is a bad argument now. The onus of explanation is absolutely upon the Government and their supporters.

Now, this debate has been useful because, it has proved how absolutely necessary debate is for the purpose of elucidating what the policy of the Government really is; and

I contend that no man can positively say at this moment what the policy of the Government is from the speeches which have been made on the other side of the House. And I am bound to say that this is a use of this debate which will become more apparent. There is room for a great deal more elucidation. There has not been much accomplished in the way of clearing up what their policy is. There is one line of debate which will never elucidate anything. We cannot forget the fact that we had intermittent and prolonged silences on the part of hon. gentlemen opposite. Silence will not elucidate anything. I do not complain, I was not even surprised at it as it emerged from time to time. When a responsible party in this country proposes to represent Canada by three empty ships in the fighting line of a navy which never knew defeat, one need not be surprised at their running away from the defence of their own proposition. But it is difficult to say whether my hon. friends are most obscure in their silence or when they speak. When they are silent, they are silent, and you cannot get any further with it.

> Theirs not to reason why;
> Theirs but to vote and sigh,—
> Silent one hundred!

But I do say, their obscurity becomes almost greater in their speech, because when they depart from silence, it is scarcely an exaggeration to say that each contradicts the man who preceded him. I want just to illustrate the truthfulness of that statement. The policy was presented by my right hon. friend the Prime Minister—and I must say I always admire his courage—and I think he wanted to make clear what was the policy of his Government at the time he was speaking. I think he wanted to make it clear, and he conveyed to my mind the idea that he proclaimed in unmistakable terms a new departure in the way of centralization. That is how I understood him when I spoke on the resolution on this subject. I will deal with the merits of the policy in a short argument; I only mention it now to contrast the speech with that of the Minister of Marine and Fisheries, who followed the Prime Minister immediately on that side. The Prime Minister said: We are going to centralize this thing, we are going to co-operate with headquarters. The hon. member for Calgary said the same thing—at least in part of his speech he said the same thing, in another part he said differently. I will show that too. The Prime Minister said: We are going to have a great scheme of centralization, of Imperial federation. Now, I am trying to get at what the policy of the Government is; the country have the right to know it before their representatives pass any portion of it in Parliament. It is their bounden duty to find it out if they can. My right hon. friend the Prime Minister—I think under the too great influence of my hon. friend the Postmaster General (Mr. Pelletier)—proclaims himself for the contribution policy—this one now, and others to follow. The Minister of Marine and Fisheries, with the smell of the sea breeze in one nostril and the smell of an oil-tank in the other, says: That speech will not do; it is all right for Quebec, but it will not do for New Brunswick. And so he says: We are working out a permanent policy; we are working it out stealthily, subtly, in the dark, but still we are working out a permanent policy, and one day the sons of New Brunswick will come into their rightful heritage upon the ocean. That gladdens again the heart of a free trader, and must have gladdened the hearts of the people of New Brunswick—although, I must say, I have seldom heard anyone become so energetic and eloquent upon a prospect of a remote posterity. And my hon. friend the Postmaster General cocks his ears and says: That will never do; he is giving the whole thing away. That hon. gentleman restores the Quebec balance, so to speak. He says: Build a navy? What? Pay men fifty cents a day? Never. You can get them for twenty-eight cents in England. Give them fifty cents? Not for L'Evenement. I indicated in no unkind way when I spoke before upon this question that my hon. friend the Postmaster General had not the makings of a first-class jingo in him when he spoke on that subject. Now I gather he is coming along. My hon. friend from Calgary has got him in tow,—and says he has got him to Damascus now. My recollection of the Damascus incident is that the apostle to the gentiles went there blind, and he was blind for three days. He must have met a very skilful physician, possibly from a place like Calgary. If my hon. friend the Postmaster General is really anxious to become a thorough paced jingo, I would advise him that he could not find a better physician than the hon. member for Calgary for in that gentleman you have the full-blown and thorough article. Now, the Postmaster General has no use for the smell of either the sea breeze or the oil tank. He prefers the musty smell of a portfolio. He will be able to go to Quebec and tell them: Thirty-five millions and you are done with it. The hon. member for Calgary will say, too: You are never done with it—a glorious vision, don't you know, expanding and expanding. Then in the elucidation of this policy, when my hon. friends opposite were ill-advised enough not to keep the policy of silence, there jumps into the arena the master-artist, my hon. friend who probably is now suffering from sea-sickness—I hope he will soon recover—the Minister of Trade and Commerce. He says: That is all wrong. Talk about the Postmaster General and Quebec; there is Ontario to look to. He says: You must distinguish sharply

between a temporary policy of contribution and a permanent policy. And he, like the Minister of Marine and Fisheries, was working at it. Now, there is a navy for you. There is a Government for you, four of them. Two of them say contribution and be done with it, and the others say: Not at all; we are working on a permanent policy. Then the hon. member for South York (Mr. Maclean) comes along and puts things right. He says both policies are the same; this is a permanent policy. That is the way they are elucidating the policy which is to guide a great intelligent country—with the exception of a few farmers who have not very much commonsense. Like leaders, like rank and file. The hon. member for Frontenac (Mr. Edwards) says that a Canadian navy would be a separatist navy. It would not have been that in 1909, when the Tory leaders were supporting it; it is only when Sir Wilfrid Laurier supports a Canadian navy that it becomes separatist. There is nothing wrong with the thing constitutionally; the baby is all right, but it is the wrong nurse. Then the hon. member for North Ontario (Mr. Sharpe) says that this contribution is all right to go on with, but he is a good Canadian, he is hard to muzzle, one of the worst of them to muzzle over there; he does not wear his muzzle with either grace or freedom, and he says: A contribution is all right but we have to have a Canadian navy by and by. So we have the position of the hon. member for Frontenac turning to the hon. member for North Ontario and saying: You are a separatist. As long as there is a quarrel like that between members on the Government side we need not trouble much about the attacks made by the hon. member for Calgary. It would be well to heal the troubles on their own side of the House and let the country know what they are really after.

The Prime Minister has spoken briefly once since his first utterance. I thought that on the second reading he would expand that brief speech. He went one better than any other member of the Government or of the rank and file because he expounded both policies in that one short speech. I think the hon. member for Calgary came near the same thing. He said to-night: It is not a case of continued contribution; he says that we are wrong on this side in saying that there is to be no Canadian navy. That was in the early part of his speech of over three hours, and at the end of a speech of that length a man is apt to forget what he said at the beginning. So that my hon. friend has made it clear that in time we are to have a Canadian navy and we are very wicked on this side for suggesting anything to the contrary. He tells us at the end we are to have one great Imperial navy. Where does the Canadian navy go if we have one great Imperial navy? My hon. friend said that if we were perfectly frank we would agree with him, and if he were frank he would perhaps agree with himself at some points. And if he is frank he will admit that his ideal is one of centralization, a great navy at the heart of the Empire, wherever that heart is for the time being. Under a scheme of that kind, as great minds have been working on the question of Imperial federation for a century and a quarter without getting any further forward, a Canadian navy seems to be postponed into an indefinite future.

In a speech the other night my right hon. friend the Prime Minister seemed to be a little touchy on being reminded that he spoke of twenty-five or fifty years as being necessary to build an organization. We have the information that what he did say was that we would not be able to get anything efficient in twenty-five or fifty years. I pass on to his expression of the other evening. He was afflicted with the same fears as my hon. friend from Calgary and he said that to build ships such as the leader of the Opposition is proposing would postpone an effect to an almost indefinite period. Does any hon. gentleman who is frank and honest with himself and with his policy see any prospect of a Canadian navy in talk of that kind? Postpone to an almost indefinite period? At the end of that very same speech, which was very brief, what was the other position he took? He departed from the statement he had made in his previous speech that this was to be a gift and adopted the argument and the language put into his mouth by the hon. member for Hastings (Mr. Northrup) and he said: 'This is a loan, we retain the ownership.' I put to myself a question at the time, 'When does a gift become a loan?' The only answer that I could see to such a conundrum would be, 'If Great Britain lent us money and we gave her the ships, the gift would be a loan.' But my point is that if we own these ships and if the ownership of them is mentioned with any serious purpose it must be to lead us to think that there is a possibility of our bringing them back. Shall we then bring them back before we have men to put on them? I do not see how. The Prime Minister agrees with the Postmaster General that we cannot get the men in Canada for an indefinite period.

Mr. PELLETIER: That is not what I said. I have already contradicted that statement two or three times.

Mr. CLARK: My hon. friend was more on the prices of them, I admit.

Mr. PELLETIER: I do not think that even the hon. member for Red Deer has

the right to put things in the mouths of his fellow-members. I stated that I did not say that. Whether my hon. friend considers that fair or not I do not know. It depends on the way you look at things.

Mr. CLARK: If I said any word that in any way wounded my hon. friend I am sorry.

Mr. PELLETIER: That is not the point.

Mr. CLARK: I am desirous always in this House of presenting just such argument as I am able to and of presenting them in a fair way and with the most honest desire to arrive at what is best for Canada and the Empire, and truth and justice the world over, and I express regret to my hon. friend if I have hurt him in any way.

Mr. PELLETIER: I do not think that he has hurt me but he puts words in my mouth that I never uttered.

Mr. CLARK: I was dealing with an apparent contradiction which appeared to be evident to me in the statement of the Prime Minister. My right hon. friend said that if we were to wait until we could build ships and man them it would postpone our doing anything to an indefinite period. He said: 'You cannot have a Canadian navy.' His answer, so far as our lifetime is concerned, does not differ from his previous statement as to twenty-five or fifty years, and I submit that a period of twenty-five or fifty years means practically never. If I say to the right hon. the Prime Minister: 'When are you going to have a Canadian navy?' the answer, so far as he is concerned, is: 'Never.' And when I come along with another question founded upon the latter part of the same speech and say to him: 'When are you going to bring the ships back from Britain, if he is an honest controversialist, and I believe he is, he is bound to give the same answer to that question and answer: 'Never.'

Another gain from the continuance of this debate is that, except in a very few cases on the other side, commonsense has prevailed over scare-mongers, and the belief in an emergency has been frankly given up. The hon. member for Calgary (Mr. Bennett) is the exception. He has changed the name. They all have their own name for this thing. My hon. friend from Calgary calls it a 'menace' and even he is not very sure about it because when he was speaking to-night he said: 'Imagine a great menace.' Well, that is the only way you can find one. I owe something in the way of a logical nature to a good Scotch mother, and I have so much of that logical nature that I hesitate to found the serious policy of a great nation upon the imaginative efforts of the hon. member for Calgary. My hon. friend from Hastings (Mr. Northrup) said 'there is a something.' It is not a menace with him, or an emergency, or urgency, or even need, as it is with my hon. friend the Minister of Trade and Commerce. My hon. friend from Hastings says 'there is a something, call it what you like,' something ethereal, atmospheric; something in the spiritual region. It must be, because my hon. friend from Calgary says you can only get it by using your imagination.

Now, I do not know whether it is worth while discussing further such an intangible need as this, but it is necessary, as I have said, that we should find out what the policy of this party is and where we stand. I want to glance for one moment more at this emergency. If we are to change to the word 'need,' following what would usually be the very good leadership of the hon. the Minister of Trade and Commerce, let us see how he proves the need. Why, he did not even try to prove it. He based it entirely upon the secret information given to the Prime Minister, following in that matter the example of my hon. friend the Postmaster General (Mr. Pelletier). Well, I have not been trained in a school of thought which leads me to attach too much importance to information which cannot be laid on the table of this House for its guidance. We used to have a song in England when I was a boy:

> Hark, hark, hark,
> Here comes the bogey man.

In this case there are two bogey men: my hon. friend the Postmaster General and the hon. the Minister of Trade and Commerce. O for an artist's pencil to put them both on a piece of canvas! They say, 'we know whereof we speak,' it is this horrible secret information that you have to accept in the last analysis. Do they really think it worth while to mention a thing of that kind in this House? Why it only prompts curiosity. Personally I am not very much afraid of anything they could tell us; judging from what we know, there is nothing very formidable in the secret information. I would not be afraid to tackle it, if it is as harmless as the memorandum upon which they have founded their whole case. For the more that memorandum is studied, the more it becomes apparent that it was dragged out of the British Government. When I spoke previously, I referred to the last section of the memorandum, which is the section upon which the Prime Minister based his argument most strongly, and I want to refer to that again in this connection. There were words in the last paragraph of which I did not call attention at the time. They were: 'after a prolonged consideration of all the circumstances.' The Admiralty say that it took prolonged con-

sideration to write this precious memorandum, to get rid of it. This is how they did get rid of it, 'after a prolonged consideration of all the circumstances; when we were asked by the Prime Minister of Canada in what form Canada could give immediate aid, we said, give it in the form of these ships.' What were the circumstances which required that prolonged consideration? There could only be one set of circumstances. My right hon. friend and his colleagues must have told the Government of England that Canadians would not make sailors. They must have told them that; these must be the circumstances. They are the only circumstances which they have mentioned in the debate here as proving the difficulty of building a Canadian navy. No wonder that a British Government which represents what I believe, at any rate, to be the pluckiest nation that was ever upon the face of the earth, gave prolonged and anxious consideration to such an account of her sons, coming to her from the Government of one of the daughter nations of the Empire. It is a pitiable story, if that was needed to create a situation. It traduced Canada. We on this side do not believe it for a moment, and if we change the Government, as we propose to do at the first time of asking, we will give the Admiralty a different story. That is the need, and that is the kind of information they have that is not secret. I am not frightened of the secret information.

Now, just a word or two upon the need. My hon. friend from Calgary has a profound contempt for figures; he did not mention one in his whole three hours oration, and he did not quote an authority. Well he did not need that, because he is sufficient. Now, on this question of the need of the Empire, he said that Germany in 1906—I think that was the year mentioned by my hon. friend—was almost on an equality with Britain on the sea in dreadnoughts, and this was where he began to be eloquent, and almost awesome in his description of the menace. Now, I happened to be in Britain in 1906, and I remember Mr. Lloyd George speaking in the town of Grimsby on the east coast at the very time to which my hon. friend referred in his speech. Mr. Lloyd George was then a member of the present Ministry, and as I have said he was speaking in the town of Grimsby on the east coast of England right opposite Germany, on the North sea. I remember reading the speech as if it were yesterday, to the effect that we were so perfectly safe, that if the German navy was to make its appearance in the North sea or German ocean against a British fleet, it would be at the bottom of the ocean so quickly that it would not know what had struck it. So he was not feeling the menace very badly, and he is nearer the scene of action than my hon. friend. Distance lends enchantment to the view, so to speak, in the case of my hon. friend. I repeat that Mr. Lloyd George used that very language at the time when my hon. friend says Germany was rapidly approaching an equality with Britain in dreadnoughts.

Mr. BENNETT: That is not what I said. I am sure the hon. gentleman would not deliberately mis-state what I said. What I said was that in 1906 England made obsolete a number of ships, and commenced to build dreadnoughts, and Germany was then on an equality in regard to these

Mr. CLARK: My hon. friend has elaborated his statement. I am replying to a speech just delivered, and before I can read 'Hansard' I take notes as carefully as I can of what anyone to whom I have to reply says, and I do not want to misrepresent my hon. friend. I thought that was what he said, but I am very glad that it was not as bad as it appeared.

I just want to give three figures or so regarding the relative strength of Germany and Britain at the present moment, and then I shall pass on to a few more remarks and conclude what I have to say. I think I shall compress all I have to say in the main debate on this question in two speeches in less time than my hon. friend from Calgary consumed in his speech. I have a copy of the British 'Hansard,' containing a question put by Lord Beresford a few weeks ago to Mr. Winston Churchill on this question of dreadnoughts, and the strength of the two fleets, and I just want to quote his figures. They have been quoted before, but they put in the very smallest shape the evidence that there is no need, and no emergency at the present time.

In 1915 the dreadnoughts of Britain will be thirty-nine as compared with thirty-three of the triple alliance.

I should like to tell my anxious friend opposite that in my reading of the sea fights in which Great Britain has been engaged, she has very often tackled ships superior to her in numbers and generally with pretty good results. As a man born in Great Britain, and believing as much in Britain and in the Empire as my hon. friend from Calgary ever can do, I want to tell him that if Britain had any more ships than she ought to have in proportion to the total, I would not care to see her go into a fight because it would be no credit to her to lick the enemy. In pre-dreadnoughts, battleships and armoured cruisers she has three to one in fighting force in her favour. That does not indicate any possibility of Ger-

many or any other nation getting Great Britain in the immediate future. In rapidity of building she has an immense superiority over Germany. I know so much of these scares, I have read so much of them, that I feel we can get along when I know that this is the condition of the respective fleets of Europe. What is the need if it is not ships? Is it men? I do not think it is men. The best information that I can gather is that there are two British-trained tars to every single German conscript marine. What kind of a Britisher is he that wants a greater superiority than that? I want to assure the Postmaster General (Mr. Pelletier), in case he has any dubiety on this subject, that two Britishers will have a fair chance with one of any other race. It was Dean Swift who said that it was recognized as true that ten armed Englishmen were a good match for one Irishman in his shirt. I think that two well-armed Britishers are usually fit for one member of the distinguished race from which my hon. friend from North Waterloo (Mr. Weichel) has sprung.

Then, about the money. I have been very much criticised by hon. gentlemen opposite for what I said about Britain not needing our money. But, after all, it is a very serious consideration when we are giving away $35,000,000, especially when it is for a useless purpose and I contend that my hon. friend from Carleton, N.B. (Mr. Carvell), the other night proved that this money, if given at the present juncture, will be used for a worse than useless purpose. May I reiterate his argument upon that point? There is not an arrangement between Germany and England, but there is a distinct basis of arrangement. Mr. Churchill has said that he would be content with a sixteen to ten ratio in dreadnoughts. The head of the German Admiralty says: Very well, so will we. Mr. Churchill has also said that the Canadian dreadnoughts will be counted in addition to the British fleet itself. If we give these dreadnoughts—and I want Canada and every Canadian to be seized of the full responsibility of what we are doing—we not only proceed to relieve the burden of the British taxpayer by increasing it, which seems to be a very unwise proceeding, but we also throw a distinct provocative element into the European situation and tempt Germany to go on with this mad war of armaments. I do not think that our financial condition justifies us in giving this money away unless a better case is made out. I should like my hon. friend from Calgary to pay attention to the representations that are coming from the West as to the condition the people are in that part of the country. I would like every hon. gentlemen opposite to pay careful attention to the words that fell from such an excellent business man as the hon. member for Haldimand (Mr. Lalor) the other night when he pointed out, in words almost of panic, that the money situation in Canada is such that it demands the serious attention, not only of every member of this House, but of every person in Canada. The money question is not unimportant. I would like to refer to the words that fell from the lips of the hon. member for Calgary about what we owe to Great Britain. He said, or hinted—I do not want to misrepresent him—that somebody on this side of the House had declared that we did not owe anything to Great Britain. I think it is perfectly easy to exaggerate what Canada owes to Great Britain, especially in financial matters; but when my hon. friend says that no nation ever owed as much as we do to Great Britain for the money spent upon the development of the country, he puts the case in an exaggerated way. Britain has fifty per cent more money invested in the United States than in Canada. Does the United Kingdom invest money in the United States with a platonic or a utilitarian object? She invests money in the United States because she gets good interest for it, and she invests her money in Canada for the same reason. Money has no sentiment. The only thing that people who lend money know about is getting interest for it. The obligation between Canada and Great Britain is a mutual obligation. We offer her a field for investment, it is true, and she puts money in here in the way of investment. I am not going down on my knees even to my own father if for any money that he lends me he takes a whacking good interest. I think it is perfectly easy to exaggerate the obligation. The obligations are mutual. It is a business matter, the matter of money lending—pure business. I cannot understand why any party, with these facts before them, still persist in the feverish anxiety to give an emergency contribution when the last vestige of a pretended argument in favour of the existence of an emergency has disappeared, when the hon. member for Calgary has to get the menace out of his own imagination and when the hon. member for East Hastings (Mr. Northrup) has to get it by gasping wildly about the atmosphere. They should give up talking about this emergency.

The possible basis of understanding between Germany and Britain seems to offer a splendid opportunity for the Government to take time to look the matter well over and, for that matter, the Opposition too. We have been told that we on this side waited a long time. The Government waited quite a long time too. I do not blame them for that. I think there is a splendid chance of looking around and seeing whether there could not be another memorandum got out of the Admiralty of a little different description. Now that Germany and England are about falling upon one another's necks, do not go and send $35,000,000 to keep them apart. When

we find that in Europe they are going about arm in arm and exchanging resolutions to restore peace and harmony, we should keep our $35,000,000 to see if the happy marriage is consummated without our aid. We are bound to keep up this debate until we know something about what is really the policy upon the Government side. In the last analysis we must have a definition of the policy from the right hon. the Prime Minister. I have said things in his absence which I will repeat in his presence; I said that I believed that in his first speech on this subject he honestly endeavoured to give us his own mind, to tell us that the time had come, that we had arrived at the point in the evolution of our relations with the Empire, when we should reverse our policy and return to a policy of centralization. We know what his policy was in regard to a contribution and I venture to read for the information of the hon. member for Calgary some very clear language which the hon. the Prime Minister used and which was quoted by my hon. friend from Carleton, N.B., the other evening. Referring to this question of a contribution, my right hon. friend said:

> In the first place, I do not believe it would endure. In the second place, it would be a source of friction, it would become a bone of partisan contention, it would be subject to criticism as to character and amount of the contribution in both parliaments, it would not be permanent or continuous, it would conduce if anything would conduce to severing the present connection between parliament and the Empire.

My hon. friend from Calgary gave the Prime Minister the testimonial that when he was speaking in 1909 he had prescience. Well, we on this side have caught up with that prescience, because we are saying what the Prime Minister was saying in that paragraph. Why should not my hon. friend the Prime Minister and his henchman from Calgary give us credit for possessing this valuable prescience now? I extend to my hon. friend a respectful invitation to join us in the possession of prescience because we are saying now what the right hon. the Prime Minister said when the hon. member for Calgary described him as having prescience. I have quoted that language of the Prime Minister, not because I want to base an argument upon it, but because it embodies in my mind the height of political wisdom on this question. I appeal to my right hon. friend the Prime Minister; he is more reasonable than my hon. friend from Calgary; he does not give way to his imagination so much; I feel there is much more chance of making a convert of him than there is of the hon. member from Calgary. My hon. friend (Mr. Bennett) would want us to feel that he is open-minded. I doubt it; I am afraid he is a little partisan. I quote those remarks of the Prime Minister because I think in them are to be found the essence of political wisdom. And surely that last sentence which refers to friction shews its own wisdom by what is happening as a result of this contribution. Is there no food there for thought in the fact that the delegates representing 2,000,000 trade unionists in Great Britain have met and said they do not want this thing, one of the grounds being the natural and commonsense ground that it increases the burden of the British taxpayer instead of relieving him? Is not that a ground off friction? My right hon. friend had prescience indeed when he uttered these words and prophesied that friction which has come now before our eyes. And, Mr. Speaker, at the very moment when these workingmen in England say they do not want it the grain growers of the West say they do not want to give it. Now, there is a nice frame of mind on which to build up a harmonious Empire, isn't it? The thing certainly has become a subject of criticism in the parliaments of Canada and England; we have criticised it here to the Prime Minister's content, and if the papers tell the truth they are going to try to persuade the British Government that it is a wrong line of policy, so that my right hon. friend spoke truly when he said it would lead to friction. I want to emphasize this point on my hon. friend from Calgary, because of what I must describe without any desire to be offensive as so much unprofitable talk in the speech he gave us to-night.

I have referred to the folly of my hon. friend (Mr. Bennett) basing an argument on this question on what my hon. friend from Rouville (Mr. Lemieux) said when he was little more than twenty years old, when, as a matter of fact, hon. gentlemen opposite do not pay much attention to what the hon. member for Rouville says now that he is over forty. What am I to say also of my hon. friend from Calgary taking up all this talk about disloyalty? If I wanted to follow that line I would tell my hon. friend, not that he is disloyal, but that his policy is. So far as I can understand the lessons of history and so far as I can understand human nature, it is not our policy but his which makes for the break up of the British Empire. I have to appeal to my hon. friend to give us credit for sincere conviction upon this point, with the example to be found below the international boundary line in the great Republic who broke off from us because of an attempt at this very centralization. Are we to be told, forsooth, when we protest against centralization, that we are disloyal and are going to break up the British Empire? I say it is these gentlemen who are breaking up the British Em-

pire, and history and human nature proves it.

However, my right hon. friend the Prime Minister changed his mind. He told us he did not like these contributions because they would not be continuous and permanent, and I presume he likes his policy now because they are going to be continuous and permanent. Am I not justified in drawing that conclusion? It certainly would be good logic; if he did not like contributions because they would not be continuous and permanent, then I must draw the conclusion that he is only reconciled to them because they are going to be continuous and permanent. Parliament has the right to know this; the most important thing for Canada to know at the present time is the exact mind of the Prime Minister as to his policy. We are bound to take his own word on that, and he has given us a perfect guide. He has told us in his first utterance on this question that he believed we had arrived at a point in the evolution of nations when we must change. I wish I had time to enter into the question of evolution as a scientific study. I am not able to cope with the Prime Minister on a question of constitutional law, but on a scientific matter like evolution I might break a lance with him with some chance of success. There are certain facts about the evolution of Canada —if my hon. friend will have me enter into scientific study—and they are as plain as the nose on a man's face to see; they are as plain and palpable as history can make them.

I said I was interested in a speech delivered by my right hon. friend in Lindsay twelve years ago on this very question of the evolution of Canada as a nation. I pass over the statement of my hon. friend from Calgary that we are not a nation—and I do not think the Prime Minister would endorse that statement of his supporter. I do not think my hon. friend from Calgary would go before any public meeting in Canada very successfully with that statement for a text. Just think of it; just think of him going to Quebec and saying that Canada is not a nation; fancy him telling the people of Quebec: This country, which has been made sacred by the blood of our fathers and your grandfathers and your great grandfathers, is not a nation. Fancy his going on the other hand to the descendants of Wolfe and saying, we are not a nation. Why, Sir, it was determination to be a nation that led to all the fights in this country. We are not a nation, says the hon. member for Calgary. What constitutes a nation? It would be just as sensible to argue that Britain is not a nation. As I understand it, the British Empire is a commonwealth of free states, and states that are loyal because they are free. No inferiority for Canada any more than there is inferiority for Britain. Free states, a commonwealth of them; do not let us hear any more about Canada not being a nation. If my hon. friend preaches that doctrine continuously in Canada, I do not know that he would ever come back here. I am perfectly sure he would not if we had a few more of these meetings where they send people to down the speakers with the National Anthem and Rule Britannia.

What are the facts of the evolution of Canada? That is a very important matter for the Prime Minister, because if we can find out which side is on the side of evolution on this question, we can tell the side that is going to win. To fight evolution is to fight fate, and I am sure the Prime Minister would not be foolish enough for that. I am perfectly certain that if the Minister of Public Works could find out what side fate is on, you would see how quick he could get over there. The evolution of Canada has been marked by two features, one material and the other political. The material development of Canada has been marked by these features: people of other countries come to our shores and take hold of and cultivate raw lands which previously have been inhabited only by the savage and the buffalo; immigration has brought the people to Canada mostly within the last fifteen years—in spite of the disloyalty of Sir Wilfrid Laurier; and when the immigrants come they have to have a policy of land settlement to deal with; and my hon. friend from Edmonton (Mr. Oliver), with all his disloyalty, introduced a good policy of land settlement, by which he said no land should go to the corporation or the railway companies in the West, but all of it to the settlers. When the settlers were brought into the country and settled upon the land, they produced. These are the steps in the material development of Canada. Production necessitates a system of transportation. The first step in that system of transportation, the most magnificent step that has been seen not only in Canada but in the world, has been that of the great corporation of the Canadian Pacific Railway Company. I am very much surprised that a party, which is always claiming that as one of its great achievements—and it is a great achievement carrying people on land and sea—have the pusillanimous frame of mind into which those hon. gentlemen have brought themselves in regard to Canada's ability to build ships. Immigration, land settlement, production, transportation—where to? To the sea shore, to leave it? No. To foreign commerce; that is your next step. In a few words those are the steps of Canada's material evolution. I go to my hon. friend the Minister of Trade and

Commerce for the next step, because he says that with a foreign commerce you must have steel-built ships. That is where the trade question touches the navy question. The two questions are one. My right hon. friend is right when he appeals to evolution, but he misreads his science; he has not studied the question carefully enough. Foreign commerce comes next; and the next step is sea power, as my hon. friend the Minister of Trade and Commerce in his speech of March, 1909, put it. Commerce and the protection of commerce have gone together in the whole history of the world, and they must go together here. That was one of the reasons the Minister of Trade and Commerce gave for being opposed to contribution and in favour of Canada's defending her own shores. That is a complete chain, which I offer in all honesty and sincerity to my right hon. friend, of the steps of Canada's material evolution.

What accompanies that? Pari passu, with that you have had the political evolution of Canada; and the outstanding characteristic of the political evolution of Canada has been that at each successive stage you have extended the area in which Canada is mistress of her own affairs. I need not trace the steps; nearly every member of this House knows them better than I do, because you have been trained in Canadian history, having grown up here. There was the time when you did not have your trading rights; you got them and you were still loyal. There was a time when Canada had not the right to collect her own customs; that was done by an officer appointed by the Imperial Government; you got that right and were still loyal. There was a time when you ceased to have your post offices regulated by an officer of the Imperial Government and you remained loyal. There was a time when you ceased to have your judges appointed by the Crown and you remained loyal. There was a time when you claimed treaty making powers and you still remained loyal. During all this time you were developing your nationhood; and yet my hon. friend from Calgary has not discovered that he lives in a nation. Still later you claimed the right to look after more of your coast defences. This brings us very, very close to the question which we are debating. You took over Esquimalt and Halifax and you remained a nation. What is the next step? The next step is into the ocean. You have taken all the others; but my right hon. friend and his supporters come along and say: Oh, it is all right, Canadians are good for self government on land, but, in spite of the smell of the sea breeze in the nostrils of the hon. Minister of Marine and Fisheries, you must not try any self government on sea. Is that the evolution in which my right hon. friend believes? Does his scheme of evolution break down at that point? It breaks down if he turns back on his own statement of three years ago. The more he thinks about scientific evolution, the more probably he will see that we have arrived at a period in our history when we must walk warily. The building of a navy is the next logical step in the development of the country, just as reciprocity was the next step in getting more markets for the Canadian people. I do not believe that you can build an Empire on false economic laws. You cannot, do what you will, confine the trade of the Empire within the nations constituting that Empire. My right hon. friend has taken a wrong step. I feel that I can speak very freely to him on personal grounds. I think politically he has gone wrong. History and evolution and nature, to which my right hon. friend appeals, are all against him. In evolution, it is true that we have limitations to our beliefs. We do not all believe in organic evolution to the extent of believing that a monkey turned into a man; but if you undertake what is known to scientists as a step of retrograde metamorphosis, you may go some distance in turning men into monkeys. For a little while, I was afraid that the process had begun when so many men on the opposite side lost their power of articulate speech. My fears on that point have been very much relieved by the evident retention of his powers by the hon. member for Calgary. I do not know that I need do more than leave that argument on evolution at this juncture.

I wish to keep my twice-made promise that I will not talk as long as the hon. member for Calgary. I feel that I have said as much as anyone could at this stage of the measure. I think myself that the more we look into it, the more we shall see that the feature of it that will absolutely fail in the end to commend it to Canada, is the feature which sends those vessels over the sea without any of our men on them. I feel confident of that. I have not lived twelve years in this country without realizing what Canadian spirit really is. I cannot detect any difference between Canadian spirit and English spirit. People say to me: You believe in trading freely with all countries, and you a Britisher? You do not believe in sending contributions to Britain, and you a Britisher? I believe in trading freely and I believe in defending my own shores, because I am a Britisher. I believe the opposite of what the teaching of hon. gentlemen opposite is on this point because I was brought up under the British flag, which, if it taught me anything, taught me to believe in courage and freedom. There is no courage in sending empty boats to Britain; there is no freedom

in saying that you cannot trade with the United States without being annexed. They can annex the steers, as I have said, but not me. I hold these views because I am a Britisher. The hon. member for Calgary quotes Browning. Browning said:

How can I help England?

The hon. member for Calgary says: By a first instalment of three and a half cents on the dollar. Browning would never have given that answer to the question. He would say: I would help England with all I have got and with myself at the finish. You can do that if you begin to build a navy, however small, because you will be following your father's example; and that is always good if he is a good father. I want to call up any portion that is mine of a virile Canadian manhood to protest once more against this contribution and to protest particularly against that feature of it. My hon. friend the Minister of Trade and Commerce held that view when he said: If we have anything of the strong joys of conquest, contribution would have no attraction for us. I wonder where the strong joy of conquest comes in in our sending empty ships and saying: Canada cannot man these ships, but she will do so by substitutes. Is there any strong joy of conquest about that? It is something very like turning tail in the presence of the enemy. Not for Canadians, under this scheme, is there any of Kipling's exaltation when he exclaims:

If blood be the price of Admiralty,
Lord God, we ha' paid in full!

Canadians cannot say that under this scheme; under it they never will pay. I do not traduce Canadians. I did not supply the circumstances upon which the Admiralty memorandum is based. I have never yet found any Canadians who could not and would not join in these words of Kipling that I have just quoted. In England they cheered and sang Rule Britannia over Kipling—there was something to sing about in that. There is one point at which the Nationalists and the Imperialists touch elbows—they both have a wholesome disinclination to be disembowelled. I was much touched with the evident sincerity of the words of the Prime Minister the other day, when, in his own simple way, he dwelt upon the merits and virtues of the heroic Captain Scott whose death we all lament. But, under this scheme, Scott is the full blood brother of Britishers, but only the distant relative of Canadians. Build your own navy! I believe in the British lion, and I believe in the lion breeding cubs; I do not believe in the role of the jackal for Canada. They are breeding full-blooded cubs in Australia; and we will breed them here, too. There is nothing but defeat awaits this scheme. Take it to the Canadian people, and begin by telling them: You are not a nation; and end by telling them: You cannot fight; and they will say: Take it away; we do not own it; it does not belong to us; it is a corpse; by this time it stinketh!

Mr. H. BOULAY (Rimouski): (Translation.) At the outset I had made up my mind to abstain from taking any part in this debate over the proposal of a contribution. The same statements have been so often made and reiterated by hon. gentlemen on both sides of the House, that the matter is now thoroughly threshed out, and there is nothing new that could be added. However, our friends who sit on the other side of the House have expressed a strong desire to be informed of what a certain group termed Nationalists think of this Bill. I took it that under that designation reference was made to the seven Conservatives who thought fit to differ from the Government by voting against the resolution introduced in the first instance. As I am not in the habit of concealing what is in my mind, and especially to my opponents, I think it is incumbent on me to meet their wishes, aware as I am that they will not fare any the better for it, nor I any worse.

If by Nationalists it is meant to designate those Conservatives who were returned in their various constituencies after protesting against the provisions of the Laurier Navy Bill and the proposal to contribute to the British exchequer, I am a Nationalist, Mr. Speaker. If by Nationalists it is meant to designate those patriots who respect our institutions and the laws of the country, who courageously vindicate our right to conserve our tongue, our customs and our religious beliefs, again I say, Mr. Speaker, I am a Nationalist, satisfied that I am only fulfilling my duty as a free citizen such as every man living under the protection of the British flag should prove himself to be.

The debate which is now going on in this House is without doubt the most important which has taken place since the conclusion of that great Federal compact. If I rightly grasp its meaning, the proposal now before the House will cause Canadian politics to assume an entirely new aspect. Accordingly, the whole Dominion of Canada has its eyes fixed on those who are now wielding the destinies of the nation.

The hour is critical, Mr. Speaker, and the action we are about to take is of interest not only to politicians, but to those, and more particularly to those, who are called upon from day to day to pay the tax-bill, to carry the burden of imposts which even now are heavy in the form of cash, and may later on be supplemented by contributions of a still more painful nature in the shape of human lives. I mean the labouring classes, that farming community who toil and strain every nerve towards supporting not only their families, but all other classes which are dependent on them. Casting a glance

over hon. gentlemen who make up the House of Commons, I find only very few representatives of the labouring class. Put to one side those who belong to this or that liberal profession in this House, and it will be found that those who represent the business and industrial classes are very few indeed.

One of the speeches reported in 'Hansard' as delivered on March 29, 1909, for or against the motion of the hon. member for Toronto, strikes me as differing only slightly from those delivered in the province of Quebec by the most fiery of Nationalists. However, the man who spoke those words was one of the supporters of the then Government and, to my knowledge, was never repudiated by his party, nay, was recognized by them as their candidate in the last general election. I refer to the hon. member from the Yukon. I propose reading part of his utterances for the benefit of hon. gentlemen opposite, who may after that show less indignation at certain statements made by ourselves in the province of Quebec.

Here are some of the things which I find in a speech delivered by the hon. gentleman from the Yukon (Mr. Congdon) on March 29, 1909:

(Text.) There can be no doubt as to the loyalty of Canada and of every other dominion of Great Britain to the Empire, and the question resolves itself into this: What shall the various portions of the Empire do in order to put themselves in such a position as to be able, at the critical moment and at the proper time, to render the greatest assistance to the Mother Country. In Canada it is generally recognized that there is no military spirit dominant in the country and very little in favour of military establishments, unless such military and naval establishments as are absolutely essential for our welfare and the defence of the Empire. There are better investments we can make in behalf of the Empire and of Canada than expenditure upon navies or greater military organizations in the immediate present. If Canada desires to become a great nation, a nation that shall be a tower of strength to the Mother Country as well as a sure bulwark of defence to herself, I do not see what better policy she can pursue than that of husbanding her strength and resources and thus enabling herself to become a powerful factor in the British Empire. Were we at present to engage in a naval programme what would we require to do? It would be necessary to take the money of our people and go outside the boundaries of the Dominion to spend it. It seems to me that it would be better for the Government and Parliament of the Dominion to sanction such aid to our steel and iron industries in the East and West as will make it possible to us in a few years to build our own navy. You can never induce the people of Canada to make contributions for expenditure of that kind outside her own limits.

I venture to say that no greater danger could arise to the Empire than would follow if we agreed annually to contribute to the British authorities either a battleship or sufficient money to build one. That would create friction and controversy between the Mother Country and Canada; and any arrangement whereby the control of the money contributed by us would be under the authority of British statesmen and not shared in any way by Canada would lead to conflicts and difficulties between the Mother Country and the Dominion as would be a source of danger to the Empire I believe that the best policy for us to pursue is the one we are now following and from which I see no reason for departing. That is the policy of being ready, as the people of Canada are always ready, to furnish whatever they have that may be necessary for the defence of the Empire in times of need. But if we start at present into any vast naval or military outlay we shall so impede our growth that in the course of a very short time we will be of much less assistance to the Empire than if we permitted our country to advance and prosper as she is doing now. I do not think that there is at present anything so critical in British relations as to cause us to get excited. One of our greatest publicists has said that of all the nations in the world, there is none so governed by their humour as the English. He said that two hundred years ago, and it is not less true to-day, and it is pleasant and consoling to find that the Scotchmen who are to-day in the cabinet of Great Britain do not share the excitement of some of the music halls of London regarding the danger hovering over the Empire at present. I listened with some regret to the exordium of the hon. member for Toronto (Mr. Foster). I could not but think that if some heathen had been listening to that address he would have thought that the hon. gentleman was a great high priest of pessimism performing the funeral rites of Christianity.

(Translation.) Had Mr. Congdon heard the remarks made the other day by the hon. member for North Toronto, he certainly would have reiterated this statement:

(Text.) It may be that wars will come, it may be that we cannot prevent the recurrence of warfare, but the people of Canada are inclined to peace, and the efforts of our public men should be directed not to inflaming passions among nations, not to arousing hostility but to endeavour to bring about that time when war will cease and be looked upon as a vanity out of date, and battleships as a superannuated piece of folly.

To-day there is talk of danger of war between the two great nations of Germany and Great Britain—Great Britain the greatest contributor to the liberty of mankind in a political sense; Germany, the greatest contributor to the liberty of mankind in an intellectual and philosophical sense. These are the two most advanced nations of the world and why to-day is there any danger of hostilities between these nations? Is the fault entirely on the part of Germany? Is it not due to a large extent to the fact that each of these two nations is abusing the other, that their papers are full of abuse and ridicule, the English making fun of German awkwardness, and the German of English awkwardness, saying all sorts of witty and offensive things, instead of treating each other with courtesy and attempting to conduct themselves in such a way as to render impossible a war

between the two nations? Richter said that Providence had given to the French the empire of the land, to the English the empire of the seas and to the Germans the empire—of the air. I do not think any one could expect that Germans would be satisfied with the empire of the air. It must be remembered that Germany is a vast and important and a great people, one of the greatest peoples of the world to-day and there is no instance in the hostory of the world of as great a nation as the German nation tying itself up within the narrow confines of an empire like Germany of to-day and not seeking and succeeding in obtaining some outlet for its population. Great Britain to-day has an outlet in all its vast empire for its surplus population, and I do not believe that anything could be better than that Germany should obtain some such outlet for hers. I believe the object in the creation of the Germany navy is to obtain an outlet of that kind, but I am satisfied that that aim could be best obtained by negotiations with other nations.

I do not think the people of Canada will cease to be patriotic but I am sure they will never become hysterical in their patriotism.

(Translation.) I am not aware that the man who spoke those words was ever termed a Nationalist; on the other hand, never were such statements uttered in the province of Quebec:

(Text.) I hope they will continue to keep erect above them in regard to this, as in regard to other matters, the banner of sound common sense, and in the discussion of this and every other question they will overlook homely self-interest, coupled with a due regard to and a due sense of what is reasonable and what is right. It seems to me you might as well have asked the old settler cutting down hardwood trees in Ontario in the days of tomahawk and scalping knife, to buy a uniform and enroll himself in a regiment of soldiers to protect those hardwood trees, as to expect Canada to give up the development of this country, its settlement and the working of its vast resources and to turn her energies to developing a great military and naval strength. If that is ever done, if that is immediately done in Canada, you will divert from Canada her greatest attraction for increased population.

I venture to assert that if Great Britain would adopt the policy of the old tribes, when migrations of natives began, of dividing up the population, and placing in each portion a number of the noble and ignoble, the rich and the poor and then drawing lots as to which should get out of the country, we would gladly take one of those portions, help to bring them to Canada, and help to build up here a further bulwark of strength for the British Empire. I believe that some such sane, sensible scheme as that would be a thousand times better for the British Empire, would make Canada a stronger support of the British Empire than spending money on dreadnoughts and on the military fuss and feathers some people would like to see in this country. The people of Canada will not submit to the drums and tramplings of militarism. They are going to defend themselves, but they are prepared to take some risk. Every man has to take the risk of loss of life or property; any one of us may be assassinated, but still the authorities will not allow us to carry guns for our own protection, and why cannot a large nation like the British or the Canadian take a certain risk? I would sooner be conquered by any people than go along as some people in London would have us, frightened to death that some foreign nation will conquer us. Even if Great Britain lose her navy, and be in such a position that the New Zealander could stand on London bridge and view the remains of this old Dreadnought grounded on the Thames, I do not believe that Canada would be in the slightest danger from any foreign aggression.

Some hon. MEMBERS: Oh, oh.

Mr. CONGDON: (Text.) I hope that hon. gentlemen do not think I am prophesying any such disaster as that. If the hon. gentlemen in dissenting from my views thought that I was speaking of such a calamity as likely to occur Great Britain, they misunderstood me, I was merely quoting Lord Macaulay's expression regarding the New Zealander standing upon the ruins of London bridge. Any reader of history knows that such disasters have occurred to the greatest empires.

Well, it is not to my knowledge that in the province of Quebec any of those who are designated Nationalists ever spoke in that strain.

Mr. PAQUET: (Translation.) Is the hon. member aware that the gentleman whose 1909 speech he has just quoted from, voted in support of the war navy of the Laurier Government?

Mr. BOULAY: (Translation.) I have read his speech and the House no doubt has noticed that he came out strongly against such a policy. I for one cannot understand how people can speak one way and vote another way.

Mr. BELAND: (Translation.) It happens all the same.

Mr. BOULAY: (Translation.) In this instance it happened not to a supporter of this Government, but to one of your supporters.

As for me, brought up as I was in the midst of an agricultural community, taking my share of their sorrows and troubles, as well as of their joys, I am in duty bound to defend their interests and give expression to their views. I have acquired a knowledge of the farmer and labourer in his modest home; I am acquainted with all his peculiarities; I have led the same life, and I know how every nerve must be strained in order to provide for the needs of a Canadian household. Now, I have no hesitation in saying that this class of people in the province of Quebec—as I believe throughout the Dominion—is opposed to any measure involving armaments. While old-country people in Europe are overburdened with taxation, weakened morally and physically by conscription, and desert thousands at a time their native country

with the object of securing some degree of liberty, we, for one hundred and sixty years, under the folds of the British flag, have developed, grown in numbers and extent of territory. That work of nation-building we have carried through without firing a gun, without building a single battleship, without breaking open the door of a single home for the purpose of securing recruits, without tearing away a single boy or man from his mother's or his wife's embrace. Why should we now do away with these peaceful and wholesome habits? Why should we deceive those immigrants who are coming to our shores by the thousand every year, leaving their native land to breathe in Canada the air of liberty?

What was considered a passing whim on March 29, 1909, has materialized into a full fledged policy, replete with the most serious consequences for our future.

We are entering the vortex of militarism with its inevitable complement of heavy expenditures, under whose burden the nations of Europe are wailing. Have the people entrusted us with the mission or given us a mandate to justify our giving to Canadian politics such a sudden turn?

I for one will answer: No. The only men likely to answer in the affirmative to such a question are to be found in the ranks of the Liberal party of the province of Quebec. In our province, indeed, that burning question of the navy and of a contribution to the British exchequer has been a bone of contention during the election; but in all the other provinces of the Dominion, both parties have striven to conceal that great issue from the people, and the men returned to represent those provinces have no authority to deal for the time being with that great question of militarism, whether it be in the shape of a cash contribution or of a war navy. If the Liberal party in the province of Quebec has been entrusted at the last election with the duty of discussing here that navy question, that same party is also responsible for the state of public opinion in that province. Indeed, on going through the debates of this House for 1902, I find the following expression of opinion emanating from the then leader of the Government, who is to-day the leader of the Opposition (Sir Wilfrid Laurier). In contemporary political life, he says, we meet abroad as well as in Great Britain and in Canada, nay even in this House, a certain class of people who are anxious for nothing so much as to plunge Canada in the vortex of militarism, which is at present the curse of Europe. I am not a supporter of such a policy.

When that statement of the year 1902 is confronted with the resolution of 1909, and the famous Navy Bill of 1909, one cannot help exclaiming: Alas, what a change of opinion! The Liberal party of 1902 took a stand quite different from that which the Liberal party subsequently took in 1909 and 1910. Two men have torn away from that party and have remained faithful to the original policy of their leader. In spite of all that may be said at present in an effort to ridicule them in this or that quarter, the unbiased historian will say that these men were the only two members of the party who did not vary in their professions of political faith. They may have made mistakes, who does not commit any? But at any rate they have had the courage of speaking out what others were content with thinking secretly. Bourassa and Lavergne at the time started in the province of Quebec a movement which was approved of by the bulk of the people, and the last phase of which will likely soon materialize in this House. Other public men later on followed in the fotsteps of these two leaders and advocated not only in this House, but at public meetings, the policy which they later induced the people to sanction in no uncertain way. I went through my constituency making similar statements.

We who have inhabited this country for three hundred years, have we not the right to give expression to our views? We who have made and are still making sacrifices of money and men for the preservation of this country, can we not say in the words of the poet:

Nous sommes des fils de guerriers,
Et nos pères, pleins de vaillance,
Vinrent au bord d'un fleuve immense
Planter leurs étendards altiers.
Durant un siècle, sur nos plages
Ces lutteurs au bras redouté
Pour la France et la chrétienté
Déployèrent tous les courages.
Debout, Canadiens français!
Luttons comme ont lutté nos pères!
Au milieu de races prospères,
Déroulons au vent du progrès,
Qui souffle à travers les forêts,
Nos vieilles et saintes bannières
Luttons comme ont lutté nos pères?
Debout, Canadiens français!

.. ..

Parcourez, attentifs, toute l'histoire humaine
De l'éclat de Ninive à la splendeur d'Athènes,
Des travaux de Lincoln aux actes de Zénon,
Du grand Démétrius au grand Napoléon,
Et vous ne lirez pas de plus sublime page
Que celle écrite, au bord de l'Ottawa sauvage,
Avec un sang aussi hardi que généreux,
Par nos soldats français qui furent nos aïeux.

Having no inside information as regards Imperial politics, I shall now look into the question before the House solely from the viewpoint of the advantages which may result therefrom for Canada, and in accordance with the assurances given by us during the last election campaign. I may be allowed to state my disagreement with the views expressed by some of the previous speakers and to stand by the statements I made in my constituency and which were repeated in the various constituencies throughout the province of Quebec.

To those hon. gentlemen on the other side of the House who state here and cause to

be repeated in their papers from one end of the country to the other, that the Laurier scheme provided for the building of warships in Canada, I oppose a flat denial. When we reached power, we found tenders filed in the departments in connection with the building of warships. But was it laid down as a condition that such ships should be built in Canada? No, there was no mention of that; on the contrary, it was understood that those ships would be built in Great Britain. Out and out Canadians as you are to-day now that you are no longer in power, why did you not insert in the specifications for the building of warships a clause requiring their construction in a Canadian shipyard?

You have not done so at the time; your papers should refrain from deceiving any longer public opinion; but I was forgetting that the press in the service of our opponents was always guided by that celebrated saying of Voltaire: 'Keep on lying all the time; there will always be found some one to believe you.'

Every Liberal speaker spoke in the same strain; insisted on the desirability of finding work for our people by laying down as a condition that these ships should be built in Canada. Why did you not come forward with those reasons, with these representations, when your own party was forcing this famous Navy Bill through the House? Not at all; you approved everything that was proposed; not one of you dared open his mouth on that question. Why? Because you realized that it was impossible to build that navy just now in this country. If it was impossible at the time, what is there to make the undertaking so very much easier now? I am quite willing to admit that the Conservatives are better managers than hon. gentlemen opposite, but they should not be expected to accomplish what is practically impossible.

We are in power because you tried by means of that recoprocity treaty to hand over Canada to the United States. In the province of Quebec, you lost your hold on the people, because you resolved to build a navy against the will of the people of the province and of the great majority of the people of the Dominion. The hon. member for Assiniboia (Mr. Turriff), who, as far as I know, is not a Nationalist, acknowledges in his speech that his constituency is for the most part opposed to armaments. Here is what he says:

> I am satisfied that if my electors were consulted individually, a great many would be found to be opposed to the establishment of any kind of navy.

It is contended that Great Britain requires some substantial help. I am not ready to admit that Great Britain is bankrupt, when she herself contributed the millions needed for the development of our industries. Neither an I ready to admit that the nation whose flag floats over an immense empire, the nation which, owing to the strength of its fleet, was able to overcome the proudest and most gallant people of Europe, I mean France, on this very land of Canada, should now be in such straights as to beg for assistance from its colonies. The British navy has known darker days than those we are now going through, and always, like at Trafalgar, it has succeeded in routing the most formidable foes.

Those 35 millions which we are to give, where will we borrow them? On the very spot, in Great Britain.

To hon. gentlemen opposite, I may be allowed to say: You demanded the construction of a war navy; you are aware that sailors are required to man these vessels and operate these guns; you have had some experience with the 'Niobe' and the 'Rainbow.' How many recruits have you found in this country? How many lawyers, doctors and professional men of all kinds have enlisted as soldiers or sailors? You may be sure those advocates of militarism will not be the most forward when the time will come for the fray; as usual the farming and labouring classes will supply the men who at the risk of their lives will enable the country to abide by the Imperialist speeches of the day.

How many deserters did you have in that small number of recruits which you got for the navy? If we are bound to have a naval policy, that outlined by this Government is by far the least objectionable of the two, because it does not involve compulsory service for our youths.

If Great Britain needs men, let her say so, and I am satisfied that many of our young people, as in 1775, as in 1812, 1813 and 1814, and as in the days of the South African war, will be happy to respond to a call for voluntary service.

We object to the enactment of a system of conscription such as would be required following on the establishment of those two naval units proposed by the leader of the Opposition. We wish to remain on friendly terms with our neighbours; in the words of the poet Chapman, we say:

> Le sang ne rougit plus nos prés;
> L'astre du travail y flamboie,
> Et sur tous nos foyers en joie
> La paix répand ses fruits dorés.
> L'espoir de ses rayons innonde
> Tous les cœurs et tous les cerveaux...
> Demain nous serons les rivaux
> Des grands peuples de l'ancien monde.
> Debout, Canadiens français!

Should we be getting ready to build warships when the wise men of the older European nations are organizing conferences with the object of bringing about general disarmament? The old Latin saw: 'Si vis pacem para bellum' has no longer its application. Who are those who call for armaments and the building of warships?

Millionaires, who control arm factories and foundries, and shipyards.

That British diplomacy should call on us to grant some millions to save Great Britain some expense, I do not wonder at that. But from a practical standpoint, what will be left to us in return for the gift which we are asked to make? A 400 million dollars debt, railways and canals to be built, innumerable industries to develop and which are awaiting in vain an outlay of Canadian capital. The hon. member for North Toronto considered on March 29, 1909, that he was doing very good service for the British Crown, while at the same time giving concrete form to the views he had formerly expressed in this House. Again on this occasion he deems it his duty to tie down the country to a new policy without previously obtaining its consent. I believe he is mistaken and will not attain his purpose. The hon. member for North Toronto is not infallible; he has erred before, and I think he is to-day making another mistake. Far from tightening the bonds which unite us to the British Empire, that new scheme, whether it be called war navy or 35 million dollars contribution, will have as its conclusion, what? The independence of Canada, if we do not cut it short.

We are in need of funds for building our canals, our great national highways, but we consider ourselves rich enough to make a wee gift of $35,000,000 to people who are better off than ourselves. That is a puzzle that I am unable to solve, and neither will the people of this country be able to solve it, and neither will future generations of Canadians succeed in making anything out of it.

During the memorable election of Drummond and Arthabasca, in which I had the honour of taking a hand as one of the rank and file, we used to say that our children would curse the day and hour when their forerunners imposed upon them the burden of militarism, and I do not intend going back on what I said at the time.

If we are desirous of efficiently assisting Great Britain, let us protect our seaports, let us build forts, and let us take steps, if you will, towards repelling any fleet of invaders, but let us not imitate that giddy farmer who assists his neighbour in seeding down his field when his own is not even ploughed. We have not a single fort along the shores of the St. Lawrence, our borders may be invaded at any time, not a single fort has been built, and still we are supposed to be in a position to make presents. If it is desired that Great Britain and Canada be safeguarded, our harbours and sea routes should be protected, and means taken to repel any attacck directed against our seaboard. Thus will our funds remain in the country and will a patriotic work have been accomplished. Should the British fleet undergo defeat (which I consider an impossibility), what could we do to stop the progress of a foreign fleet going up the St. Lawrence? We would be utterly helpless in any effort to impede the advance of a single warship; death and destruction might be wrought all along the banks of the St. Lawrence without Canada being able to fire a single volley for its defence.

There is a proverb as old as the world which says: Well ordained charity begins at home. Let us put that in practice for the benefit of this country. Besides, we have reached a point in our history where we should be looked upon not as mere dependents, but as a nation, and as a result we should make preparations towards soon taking a place among the peace-loving nations. The spirit of liberty after passing over the countries of the old world, is now penetrating into Canada, and the bounds which make of us a colony may be broken before long; and let us be prepared for that memorable day.

May we hope that the change will take place without any spilling of blood, in the same way as when Norway and Sweden separated—supposing such a disturbance is to take place—but such is not the wish of the province of Quebec. We love our present institutions and we are desirous of conserving them.

There is still another reason at the back of the stand I have taken in this matter, and it is this: any serious man should abide by his principles. I have blamed the Liberal party and particularly its leaders for having broken their election pledges, for having in 1896 appropriated the fiscal policy of the Conservative party and casting aside the policy they had advocated for eighteen years previous to that; for entirely renouncing the stand they had taken on that question of armaments, and going in for undertakings of the most drastic character without even hinting of it to the people. I also claimed that the people are sovereign in this country, that the people alone can properly settle, through special consultation at the polls, such issues as are binding them for the future. Now, if they are not consulted in regard to them, how can they settle them to their satisfaction? How can they decide knowingly, if public men conceal to them their intentions?

Some of the previous speakers have stated that during the last electoral campaign we had repudiated the right hon. gentleman's (Mr. R. L. Borden's) leadership. Not at all; we have always acknowledged and still acknowledge the leadership of that distinguished gentleman, who is entrusted with the government of the country; and though we may differ from him in connection with the present issue, that does not prevent us from recognizing the earnestness, honesty and fair-mindedness of the man who is so worthy of the confidence reposed in him by the country on the 21st of September, 1911.

The gift pure and simple of $35,000,000

is a trifle in comparison with the cost of building two fleet units, one for the Atlantic and one for the Pacific, as desired by the whole Liberal party (apparently at least), and as stated by the right hon. leader of the Opposition in his speech of December 11, 1912. If we are bound to choose between two evils, the contribution of the aforesaid amount is surely the less objectionable. We have moreover from this Government the assurance that nothing more will be done previous to the people having been consulted and having decided as to its desirability. Which means that this contribution will not be taken as a precedent to justify a similar gift another year.

I blamed the Liberal party for having wasted millions right and left without saying a word about it to the people during the elections, and what I have found fault with in the case of my opponents, I am not ready to approve in the case of my friends. The people of Canada should be given an opportunity of saying what they think of the desirability of such a gift, and whatever be the verdict of the people, I will have redeemed my pledge, and my electors, as well as those all over Canada, will be satisfied. The province of Quebec does not object more than any other to assuming its own responsibilities or fulfilling its obligations towards its associates; but under our democratic system of government the people alone are masters; they are called upon not only to supply the funds, but also the men to fight our battles. That is why the people should be called upon to settle these great questions which involve a fundamental change in the political organization of our nation. There are moments in life when one feels that he is called upon to fulfil an imperious duty, and among these imperious duties there is none so important as that of safeguarding one's honour.

I was elected to this House to oppose the granting of a contribution towards the building or maintenance of a war navy, to demand the repeal of that famous Navy Bill, and I wish to carry out proudly and faithfully the mission entrusted to me. I wish to bequeath to my family not honours, but honour and respect for the pledges given to my constituents. It is painful at times to tear away from one's friends. Having for twenty-five years battled in the interest of the party, having remained faithful to that same party while so many others were receding from it, having stood by the party through periods of darkness and disaster, I have the right to-day to say to that same party what I have in mind, and to oppose a step which I consider a flagrant violation of the rights of the people. I for one consider that it is incumbent upon me to withhold my support from the proposed resolution until the people have been consulted in this connection, and I shall vote in favour of the amendment moved yesterday by the hon. member for Joliette (Mr. Guilbault) in favour of a plebiscite.

Mr. L. P. PACAUD (Megantic): Mr. Speaker, this question of defence which is the subject of this debate, is important, not only by the actual burden which it is called upon to impose on the people of Canada, but important above all by its far-reaching consequences. It appeals to us and rightly so, from a double point of view—as Canadians and as British subjects. This dual sentiment, if I may call it so, carries with it certain well defined obligations, the foremost of which I believe, Sir, is the protection of Canada, and her growing commerce by the immediate organization of a Canadian navy. This was, Mr. Speaker, from the very moment this question was brought up four years ago and this is still to-day the policy of the Liberal party. During the general elections of 1911, this policy was severely attacked by the two factions of the Conservative party. It is necessary not to lose sight of what was then said by hon. gentlemen opposite, so that we may understand more fully the true meaning of their rapid change of opinion which has brought them to adopt this measure which I am convinced Sir, no true Canadian could sincerely adhere to. Outside of the province of Quebec, the imperialist faction of the Conservative party, as I understand it, spoke but incidentally on the navy—reciprocity was the principal issue. Nevertheless this question of defence also occupied their attention. They were directing their attacks not so much against the principle of a Canadian navy, they hardly dared condemn such a principle, but against what they believed to be the ineffectiveness of our naval programme, as proposed by the late Government, against what they called the tendency of separation of our naval forces from those of the Mother Country. On the other hand, what happened in the province of Quebec during that time? The policy of a Canadian navy as advocated by the Liberal party was severely attacked by the Nationalist wing of the Conservative party—now represented in the present Government by the Postmaster General, the Minister of Inland Revenue, and the Secretary of State. They were against the very idea of formulating a policy, of whatever nature it might be, touching the naval defence of this country. They condemned alike and with equal force the proposal of both parties, and refused to accept either the principle of a local navy or the principle of contributions. But they went further than that, and styling themselves the champions of Canadian autonomy, they went through the province of Quebec attacking the right hon. the leader of the Opposition for having sacrificed our Canadian autonomy, because in the Naval Act was to be found a clause which would have permitted the Governor in Council with the approval of Parliament to

send the Canadian navy to help the British Empire in time of need. Such a clause in the Act, which should have united all patriotic Canadians, for the double reason that it allowed us Canadians to conserve intact the principle of self-government which is closer to our hearts to-day than ever, and permitted us also as loyal subjects to do our duty to the Empire, gave to the Nationalists of Quebec on the contrary their battle-cry in their unpatriotic attempt to inflame the minds and hearts of French-Canadians—'a navy' Canadian in time of peace, and Imperial in time of war' was repeated in every husting of the province of Quebec. But such a cry, luckily for us French-Canadians, luckily for Canada as a whole was not taken up by the majority in that province in the spirit in which it was intended to be accepted. French-Canadians, faithful to the best traditions of their race, were not to be led astray. Sincerely attached to the political institutions of this country, they readily understood and approved of a policy which would have left a Canadian navy under Canadian control. But they also understood and approved with equal force the policy of the right hon. leader of the Opposition who placed in the Naval Act a clause giving to Parliament the right to say in a moment of peril, the British Empire will not fall, if the help of Canada can prevent it. And, lastly, Sir, the Nationalists promised the people of Quebec, that if they returned twenty Nationalists to this House, that number would be sufficient to force any government to consult the people on such an important question. This was the position taken by hon. gentlemen opposite belonging to the Nationalist party. They spread these opinions throughout the province of Quebec. They claimed to be alone independent; alone possessing sufficient conscience to rise above party exigencies, and speak out their minds. They alone could force any government, whether they were Liberal or Conservative, to come before the people and consult them on this question. By means of such appeals they have entered this House, three of them are members of this Government—what have they done, Sir, since the beginning of this debate—these same hon. gentlemen who were to take by storm not only the Government but the Opposition as well and force them to the people—these great warriors of Nationalism, started off by not uttering a word in this debate. A tame beginning, Mr. Speaker. Their second move was to vote unanimously against the sub-amendment of the member of Maisonneuve, which would have had for effect if adopted to submit both propositions before the people. The third act was an amendment by the member for Joliette, calling for an appeal to the country by a plebiscite though the hon. member had already voted against such a proposition a few minutes before and you decided, Sir, it was out of order because it was the same in substance as the sub-amendment of the member of Maisonneuve.

Now, we have another sub-amendment from the member for Joliette claiming again an appeal to the country—by a plebiscite. Mr. Speaker, this is trifling with a great national question. The only proper constitutional channel, I believe, Sir, by which we may consult the people is by a general election. Let the Government stand or fall with their policy.

We have now at least the satisfaction of knowing the true merits of Nationalism. This false nationalism came into existence under false colours; it is disgraced to-day; it will be crushed and annihilated at the very first opportunity. It was a double attack on the late Government. In Quebec a do-nothing policy was openly proclaimed by the Nationalists; in Ontario, an enlarged navy was the creed preached by hon. gentlemen opposite. We heard this afternoon the hon. member for Calgary, an ardent Imperialist, giving his sentiments and his ideas as to the future destiny of this country. I shall not follow him in his remarks, but I will point out that while he was striking his hardest blows at the Nationalists these gentlemen applauded his remarks with the utmost confidence. The exhibition. Be it sufficient for me to conclude from this that the alliance still lasts and that Nationalists and Imperialists, although they preach different creeds, are still united in a strong desire to maintain in power the Conservative party.

The present Government has been in power for nearly two years. Within the ranks of the Cabinet are to be found hon. gentlemen, representing alike the two wings of the party. Their duty was to solve the greatest problem which has ever been sub mitted in this Parliament since Confederation—and a divided Cabinet was to achieve this work. Naturally enough the people of Canada have been waiting anxiously and I may add with a great deal of curiosity to see what would be the answer of this Nationalist—jingo Government, what results had crowned their efforts, and what solution would be proposed. The answer to the people has come at last. We have it in the form of a resolution which has been adopted in this House, and of the Bill which we are now debating, and coupling them with the speeches delivered by hon. members of the Government in explanation of its aims and consequences, we may divide the answer into three parts. First, we have as yet no policy. Second, we propose, instead, to the people of Canada an expediency measure which will cost the taxpayers of this country

$35,000,000. Third, we are seriously considering a permanent naval policy, but as to what that policy will consist of, as to whether it will be a Canadian navy or periodical contributions, we refuse to tell the people of Canada at the present time.

It is not surprising, Mr. Speaker, that the people of Canada are disappointed and dissatisfied. The alliance of Imperialists and Nationalists has been tried and found wanting, and I believe, Sir, that from now on the present Government cannot safely count on the charity that thinketh no evil. The general cry throughout the country is for an immediate general election. The Liberal party heve declared itself ready and anxious to meet their opponents. There is now an amendment before the House proposed by the member for Assiniboia (Mr. Turriff), which calls for redistribution and an appeal to the country. Hon. gentlemen opposite voted a few years ago for an amendment requesting such an appeal to the people on this question. The Postmaster General, after he had became a minister in the present Cabinet, told the electors of Quebec county that they would be consulted on this question. Will he vote for the amendment of the member of Assiniboia? It gives him, at least, an opportunity to redeem his pledges. Will he do so?

Mr. Speaker, we are discussing whether or not we should give $35,000,000 as an emergency contribution to the Imperial exchequer. The right hon. leader of the Opposition has already stated, in the name of the Liberal party, that if there was an emergency, we would gladly give the money, and more if needed. So the point in debate is narrowed down to whether or not there is an emergency. It rested on the Government to prove this emergency. Have they done so? In my opinion, Sir, they have absolutely failed to do so. The Government rests their whole case on the memorandum of the Admiralty. This memorandum has been thoroughly sifted during this debate; every line of it has been closely scrutinized. I do not wish to repeat in detail the arguments which have been brought forward in support of the Liberal party's contention. But permit me, Mr. Speaker, to single out to you what seems to me most remarkable in this document. Nowhere do we find a word in this memorandum conveying to us the thought that there is an emergency. The Prime Minister of England, and the members of his Cabinet, tell us there is no emergency. But supposing for the sake of argument, though no member in this House would believe it, that we were deceived by the great statesmen of England and that an emergency did really exist. Hon. gentlemen opposite tell us that the danger lies in the North Sea. It is the reason given by them why we should give up the idea of a local navy and concentrate our proposed dreadnoughts in home waters. How is it, then, Mr. Speaker, I ask, that the British people who are told by Canadians three thousand miles away of a danger which confronts them at their very door, are not stirred by such a grave announcement? How is it while we in Canada are talking nothing else but emergency, in England, at the very heart of the Empire, and the very place where the danger is supposed to exist, they are slowly but surely pursuing the great social reforms which are of paramount interest to the English people to-day? How is it, if such an emergency really exists, recognizing the truth that finance is at the basis of naval power, that England which is the wealthiest nation in the world, does not, and has not, though well able to do so, extended still further her margin of security? The British Government has paid its enormous naval expenditure out of current revenue, while European nations have had to borrow to meet these expenditures. But they do not believe in an emergency, and they tell us so very plainly in paragraph 9 of the memorandum:

> Whatever may be the decision of Canada at the present juncture, Great Britain will not in any circumstances fail in her duty to the overseas dominions of the Crown.
>
> She has before now successfully made head alone and unaided against the most formidable combinations and she has not lost her capacity by a wise policy and strenuous exertions to watch over and preserve the vital interests of the Empire.

This paragraph is divided into two parts, the first, in which the Admiralty tells us of their intention not to fail in their duty towards the self-governing dominions; the second, in which they tell us of their ability to put into effect this intention of theirs to protect us. No sign of an emergency in that, Mr. Speaker. But hon. gentlemen opposite tell us that the Admiralty has requested the gift of three dreadnoughts. Mr. Speaker, the Admiralty could not answer otherwise the question that was put to them by the Postmaster General of Canada.

> The Prime Minister of the Dominion having inquired in what form any immediate aid that Canada might give would be most effective, we have no hesitation in answering after a prolonged consideration of all the circumstances that it is desirable that such aid should include the provision of a certain number of the largest and strongest ships of war which science can build or money supply.

There could only be one answer: You wish to give us immediate aid, well, then, give us money or ships of war. But there is nothing which directly or indirectly suggests to us an emergency confronting the Empire at the present time. The Admiralty could not, and was not even given a chance to express their views on the merits of a

Canadian navy or a system of contribution. If that chance had been given them, I maintain, Sir, they would have refused to contradict themselves; they would have answered as they did in 1909, that strategy was not alone to be considered, but that the national sentiment of the self-governing dominions had to be considered above all. But, Sir, I also maintain, that there being no emergency, it does not belong to the Admiralty to shape Canadian policy, and that such a right belongs alone to the Canadian people. It is so plain and so convincing, Mr. Speaker, these words of the Admiralty, they have been so well understood by the people of Canada, that the Minister of Trade and Commerce seeing that this emergency cry fell on deaf ears, that it was ridiculed throughout the country, decided that it was time to shift from the word 'emergency.' He did not hesitate, and in his speech delivered during this debate he told us that the new word to be used, to describe the present situation, was the word 'need.'

Mr. Speaker, we started this debate with an emergency contribution as our subject of discussion. Half way round the course, the Minister of Trade and Commerce, happily dispelled from our anxious minds the very thought of an emergency. But strange to say, though there is no emergency, we are still left with the prospect of a contribution on our shoulders. Let us hope that we may still be saved from this ridiculous process of solving a great national problem. No, Mr. Speaker, I am firmly convinced, and I owe it to those whom I have the honour to represent in this House to express freely my opinion on the subject, that England does not need our money or our ships. What she needs is our co-operation in defence. What she needs from her self-governing dominions is not relief at home; she is well able to defend herself in home waters. But the immediate duty of the hour is to create throughout the Empire centres of strength, to organize at once in Canada a Canadian navy, whose principal function should be to protect this part of the Empire.

But, Mr. Speaker, why do the Government persist in the course which they are now following? The answer is easily found. Unable to agree among themselves on a permanent naval policy, they must either cling to this present measure, which is not a policy at all, or else face a grave emergency within the ranks of the Cabinet. A short review of the position of the Tory party on this question will clearly prove my contention. On the 29th of March, 1909, a resolution was introduced by one of their leaders, the present hon. Minister of Trade and Commerce, and unanimously accepted by both political parties. Canada, through her representatives, then decided for a Canadian navy, and condemned the principle of regular and periodical contribution

The present Prime Minister of Canada wished that the word 'speedy' be added to the words 'organization of a Canadian naval service.' The right hon. gentleman goes to Halifax, in October, 1909, seven months after the passage of this resolution, and still entertaining the same views as in March, prophesies a new era of prosperity for his native province of Nova Scotia, by the revival of the ship-building industry, which, in his opinion, the building of this new Canadian navy would surely encourage. In 1910, we note the passage of the Naval Act by the late government on the lines suggested by the resolution of 1909, and the alliance of the Tory party with the Nationalist party of Quebec who condemned alike and with equal force the policy of a Canadian navy, or a system of contribution. The right hon. leader of the Government had to choose between standing by his principles as enunciated in March, 1909, or else break up his alliance with the Nationalists. He did not wish to part with the Nationalists, so he gave up the policy of a Canadian navy. To save the alliance, to please alike his Nationalist friends and his jingo followers, he had to make a compromise; an emergency contribution was promised to the latter; a plebiscite was promised to the Nationalists and the net result to-day of this double policy is that we are asked to vote a contribution though there is no emergency, and the people of Canada, who were led to believe that they would be consulted, are completely ignored by the present Government. The leader of the Nationalist party, the hon. member for Jacques Cartier (Mr. Monk) resigns his portfolio—and his reason as stated by his letter of resignation, is precisely the fact that the people are not to be consulted on this measure of contribution.

But, Sir, may I ask you, how is it, if the member for Jacques-Cartier, feels bound to resign his seat in the Cabinet, can the Postmaster General (Mr. Pelletier) remain comfortably seated on the treasurer benches? On the 3rd of October, 1911, after the general elections, speaking at Montmagmy, here is what he says:

> They tell me I will be a minister—I do not know not having yet been called by Mr. Borden to form part of his cabinet. At all events I will be a minister only by following the line of conduct which has been traced to me by Mr. Monk.

The hon. member for Jacques Cartier resigns. By what process of reasoning does the Postmaster General expect to persuade the people of Quebec that his duty was to remain in office? He spoke during this debate, but not a word was uttered by him to explain to the people of Quebec why it was that he did not follow 'the line of conduct which had been traced to him by Mr.

Monk.' This is the record of the Tory Party on this important question.

Mr. Speaker, I believe that it is the duty of an opposition to watch with vigilance these extraordinary changes of opinion, by hon .gentleman opposite, to challenge them at all times, to put them on trial on every occasion. Let us now examine the policy of the Liberal party. They voted unanimously for the resolution of the 29th of March, 1909, favouring a Canadian navy and in 1910, the Naval Bill became law. To-day the Liberal party says: Four years ago, we believed in the policy of a Canadian navy. Conditions which at that time prompted our action, have not changed to-day; therefore, we stick to our guns; we are now convinced by the memorandum of the Admiralty that there is no emergency, otherwise we would not hesitate to do our share in a moment of need; we stand by a Canadian navy, and under the control of the Canadian Government. This is the policy, as I understand it, of the Liberal party; this is the policy embodied in the amendment introduced by the right hon. leader of the Opposition in the beginning of this debate and it is the only policy, I sincerely believe, which is consistent with our national honour as a self-governing dominion.

But there is, Sir, another reason why I favour a Canadian navy. The West to-day is getting the benefit of the construction of three transcontinental railways built at the general expense, and is increasing in population by leaps and bounds. I rejoice as a Canadian to see this growth and prosperity of the western provinces, though I regret the defeat of a measure which would have made them still more prosperous.

But the eastern provinces, which have furnished the bulk of the money to build these railways, are stationary. Prince Edward Island has lost population, Nova Scotia and New Brunswick have barely held their own and the province of Quebec has gained somewhat due principally to our pulp and paper trade. Surely then something should be done to compensate the eastern provinces for the sacrifices they have made. The best compensation that could be given them would be to restore to them the ship-building, ship-owning and navigating business they enjoyed forty years ago, when Canada was the fourth in rank of the ship-owning countries of the world. In those days, Sir, the merchants of the city of Quebec owned and navigated over ne hundred ships and Quebec, Halifax, St. John and Yarmouth ships were to be seen in every port of the world. Thousands of men, many of them French-Canadians from the lower St. Lawrence, Labrador, Nova Scotia, New Brunswick and Prince Edward Island, were the captains and sailors that manned these ships. To-day they have disappeared as if they had never existed. The grain and other products of the western provinces will give employment to a vast tonnage of ocean ships to carry these products to Europe. Why should not we eastern people do this carrying trade in our own ships? We are clever enough to build great transcontinental railways and to manufacture our own steel rails; why should we not build, own and navigate our own iron and steel ships, do our own carrying trade, and educate our people to a sea-going life? We have in our eastern coasts and in Newfoundland the greatest nursery for sailors in the world. A Canadian navy, built in Canada, would bring this about. The building of warships in our ports would have led to the building of mercantile steamers, and we would once more have been ship-owners and navigators, doing our own carying trade, the most lucrative trade in the world and the most beneficial to a nation. But, Sir, I favour a Canadian navy for another reason. It possesses the advantage of finality. It settles a principle and it raises it above party warfare. It gives expression to a national sentiment which is stronger than ever to-day in Canada, and which we cannot lose sight of in the discussion of our national defence. But if the policy of a Canadian navy possesses the advantage of finality, the Government proposition is surely one of uncertainty. We are dealing to-day with an expediency measure which in itself is exceptional in its character by the fact that we are asked to vote a sum of money to be spent outside of Canada. But this is only the first step. We are told that this will be followed by a permanent policy—a policy of which we know nothing, but which will be realized on condition that Canada obtains a voice in questions relating to war or peace. What voice will Canada have in this Imperial Council? What is the price that will be demanded from us, if such a voice is ever granted? Mr. Speaker, it is clearly evident that the price will be periodical contributions. We will have to do something, for there are but two ways of solving this problem: Build a Canadian navy, or else pay out contributions. The Prime Minister tells us that we are going to have a permanent naval policy; that a Canadian navy is impossible for at least fifty years. So the only conclusion that we may draw from this is that Canada will be called upon to pay out her annual tribute—for what amount nobody knows as yet. Sir, the rule of Downing street will then be close at hand. Self-government will have received a death blow from which it would not easily recover.

The member for St. Antoine division of Montreal (Mr Ames) told us very frankly what, in his opinion, would be the ultimate

result. He told us: Autonomy has done its work, of which we are proud. But the word of the twentieth century is co-partnership.

So the price demanded will be the loss of our local autonomy. The people of Canada would not stand for it. Whatever may be their opinions touching the question of Imperial unity, I believe, Sir, that they are unanimous that it should be attained only through diversity of legislation. It tends not to sacrifice but to confirm Imperial unity.

Canadians believe, Sir, that within that Empire of which they form part, Canada is called upon to play an important part. Situated as we are, our ambitions, our national aspirations should be to spread in this new world the ideas of freedom and of justice which we have learned to cherish from England, and for the defence of which she has given her strength, her power and her intellect to introduce and to maintain in the old world.

To achieve this work, we need what we already possess, that without which England herself would have been powerless for good local, self-government.

With a Canadian navy, Sir, we have no such difficulties ahead of us; we have no such controversies to face; we have a clear view of the course we are going to follow, we help the Empire when in need; we build, we man at home the ships which will be under our own control. We spend Canadian money in Canada for the general benefit of Canadians, we let the world know that what a good Australian can do a brave Canadian can also do. Finally, we do not hire somebody else to do what we ourselves should do.

Such a policy, Sir, I heartily support. I heartily support also the amendment of the member of Assiniboia (Mr. Turriff), which, if adopted, would at least give the people of this country the right to say which party is wrong on this important question.

Mr. P. A. SEGUIN (L'Assomption): (Translation.) Mr. Speaker, if I rise just now to address the House, it is because I deem it is incumbent on each one of us to express our personal views on the great issue which is now under discussion. When, hardly two years ago, I had the honour of stating my opinion in regard to the establishment of a navy for purposes of national defence, I was far from thinking that the debate would be taken up once more at so early a date and under such altered circumstances. Politics has in reserve such sudden changes, and present experience shows us that not only circumstances but political men themselves are subject to strange transformations.

It is not without some misgivings that we undertake the discussion of a Bill such as that introduced by the right hon. Prime Minister. In these days of extreme Imperialism and false patriotism, our opponents are not slow in charging us with ingratitude and disloyalty. We are told high and low that it is on our part showing very little gratitude for all the kindnesses showered on us by Great Britain, and for the freedom which our race enjoys under her protection, to frown on this proposal for a small gift of $35,000,000. And if we were to be as free in our expressions of opinion as formerly were some of the opponents of the Laurier naval scheme, what protests would we not hear from all quarters! Fortunately we are in a position to answer to those people that the Mother Country cannot and should not deprive us of the first of all privileges she concedes to all her children without distinction or origin: that of giving frank and loyal expression to their views. If some people are left free to fight a proposal which they deem obnoxious, contrary to the interests of the country and the dignity of the Mother Country as well, the same right should be conceded to those who hold the contrary view.

I was saying a moment ago that public men as well as politics were subject to striking changes. Indeed, if we go back only a few years, we find that the most strenuous advocates of the Bill now under discussion were absolutely opposed to any kind of contribution in favour of the British fleet. It would be useless taking up the time of this honourable House if I were to quote extracts in support of my present contention. Besides they are already to the knowledge of the House; they have been quoted by others, and no one has even tried to repudiate them. I shall also pass over the disloyal campaign carried on in the province of Quebec against the Laurier naval scheme and against any proposal of contribution for the defence of the Empire.

I repeat it, odd changes of front have taken place. It is just possible that such changes were the result of corresponding changes in the opportunities at hand, as hinted not very long ago by the most disappointed and broken-hearted member of this House, and the only one among the old-time Nationalists who has shown enough self-respect, attachment to principle and regard for the word given to sacrifice his own personal interest rather than approve of such principles and pledges being disregarded.

But let us glance over all that, and rather consider to what results the carrying out of the Bill under discussion is likely to lead. As with individuals, so also with people; they develop and grow strong through struggling. The man who never has to fight, remains a weakling; he has no self-reliance. That is so well understood, that the father who takes an interest in the welfare of his child allows him to fight his own way through life. Struggle for a liv-

ing, coupled with foresight, makes for individuality. The same may be said of nations. Possibly if circumstances had been such that Canada at the beginning of the last century had been, like the United States, left to itself, our country would have prospered and developed to the same extent as the neighbouring republic. Please note that I am merely giving the facts, without drawing any conclusions therefrom.

If I may be allowed to carry this comparison to its conclusion, I say further that nations like individuals having turning points—I do not mean changes of front—in their history. These turning points are sometimes a cause of perplexity: should the forward march towards progress be arrested? Should the onward movement be maintained at any cost? The answer comes of itself. Since nations are like individuals—and it stands to reason, since, after all, a nation is made up of individuals governed by the same laws, desirous of exercising the same rights, nurturing the same ideals, venerating the same flag—and since individuals, as soon as they feel themselves strong enough to engage by themselves on the voyage of life and attain alone their destiny, break away gently and respectfully from the trammels of paternal authority, though continuing to love and respect those who brought them into life; in the same way is it not fair and reasonable that we should foresee the day when also we Canadians will have to take the risk of journeying alone towards the fulfilment of our destiny. I do hope nothing in what I have just said will grate upon the feelings of the most hardened Imperialist, should there be any in this honourable House. So then it is not only our right, it is more especially our duty, our imperious duty to look into the future. No one can blame me, if I endeavour to discover something of our future destiny.

Now it is in connection with such a Bill as this one that we should endeavour to look beyond the present and far into the future. I surmise that this proposal to make that modest gift of $35,000,000 to the Mother Country is not merely a matter to be viewed from a sentimental standpoint. If sentiment was the only consideration under the circumstances, we would all be at one. The heart will always have reasons which reason itself knows nothing of. But just now it is not sentiment which should be consulted. And my reason tells me that in a question of that importance, and under circumstances so serious, it is my duty to look beyond and above such things and not to be content with sentimental considerations.

If then I cast a glance beyond and above those sentimental considerations, I foresee the day when Canada, by the sheer force of circumstances, will take its place as a free nation under the sun, a place to which it is entitled. Please note that it is not here a matter of hastening or deferring that happening; to hasten it would be an act of disloyalty towards the Mother Country; to defer it would be an act of disloyalty towards ourselves. The one is not any better than the other. But in the same way that the son, without being a traitor, may long for the hour of liberty, so also may colonials long for the hour of full independence for his country. Time and circumstances are the decisive factors.

The wise course to follow for a colonial government consists, it seems to me—and history shows that I am right—in abstaining from any interference with the free development of the colony, while at the same time refraining from any attempt to painfully and brutally sever the colonial tie. We should bear witness to the Liberal administration that during their fifteen years in power, they never lost sight of the principle I have just stated. Little by little, imperceptibly, but effectively, Canada, from being an obscure and unknown colony on the face of the world, was promoted to the rank of a quasi-nation. All eyes were then turned towards us. The vastness and wealth of our territory, the immensity of our resources, were truly a revelation to all. Our trade developed beyond all our foremost expectations and within a few years reached incredible figures; our population nearly doubled in numbers, owing to the strong attraction exerted by the news of our progress. New provinces were opened up. That was the beginning of an era of prosperity which is a sign of the times for those who are anxious to see into the future. And it was stated that the twentieth century would be the century of Canada, in the same way that the nineteenth century had been the century of the great neighbouring republic. Everything seemed to point that way; everything fostered such a hope. And to crown that work of wonderful progress, the Laurier administration, which through its foresight and grasp of things, had carried on that work, resolved in the interest of the Empire as well as for the supreme benefit of the country to establish a national war navy.

At that time the opponents of the Government did not scruple to denounce wasteful expenditure. Millions are being thrown into the sea, they would clamour together. Gauging their view of the situation solely in accordance with their aims, which were directed to attaining power, they endeavoured in certain provinces to work on prejudice with the words 'targets for bullets,' while in other provinces they would sing, 'Let the voice of Toronto be the voice of the country.' At that time also there were Nationalists, and those Nationalists who insisted on the maintenance of the statu quo, contended that the country having heretofore been able to dispense with a war navy, could still and indefinitely dispense with that formidable toy. And those

Nationalists, what have they become most of them? Ministers and favourites of power, no doubt. And this would be the time to speak about the changes which are evolved in men's opinions as well as in politics.

The Liberal party, thank God, has no such record. It has remained faithful to its policy. It might have retained power by swerving from the straight path. But power becomes unworthy of the party, and the party unworthy of power when such wobbling is permitted. The Liberal party has not deviated from its former stand. Neither has the party lost faith in the future of the country; it has its eye on our country's destiny. Now as formerly it preaches that it is incumbent on the Government to refrain from any deed of a nature to impede the free development of a young country. Now as then it is satisfied that the most effective form of assistance that can be extended to the Empire is not the inconsiderate giving away of a few millions for the benefit of the admiralty, with the words: Here is some gold, defend yourself and defend us against our enemies. The better plan is to equip one's self for future encounters. Now as then the Liberal party is satisfied that the establishment of a national war navy can but contribute to the prosperity of the country through the establishment of new industries. Now as then it keeps in mind that great truth that as we form part and parcel of the Empire, to enrich the country is to enrich the Empire, to strengthen our home defences is to strengthen the defences of the Empire, while on the contrary, to impoverish our country even in the interest of the Mother country is to impoverish the Empire.

The duty of a Government on taking hold of power, is to direct a country's course towards a certain point settled beforehand in a policy which every party is supposed to have for its guidance. In 1911, we witnessed this probably unique occurrence in the history of politics; the Conservative party on reaching power had no defined policy. No, I am mistaken, they had one, which was to beat Lauier and the Liberal party by all means available. That was the supreme object, the only aim. With that in view, during the few weeks that the campaign lasted, the candidates of the Conservative party made to the electorate the most extravagant as well as the most contradictory promises. While in Ontario racial and sectarian prejudices were being worked upon and that the well known ditty 'Let the voice of Toronto,' etc., was being sung, a ditty which was quite recently modified by the hon. Minister of Publics Works to 'The hell with Quebec'; in Quebec, dependent on the Conservative or Nationalist tendencies of the speaker, the promise was made either of an appeal to the people in case of an emergency contribution being required, or of the repeal pure and simple of the Laurier naval scheme. What has since been the aim of the Government's policy, if the word policy may henceforth be used to designate what hon. gentlemen have done? They were not in a position to live up to their pledges, and we know why. They did not even make it a point to give effect to the mere administrative acts initiated and pledges given by the former Liberal Government at the previous session.

For instance, I had obtained for the county of L'Assomption, which I have the honour to represent, a first vote of $5,000 for a wharf at L'Assomption; a vote of $5,000 for an ice-breaker at St. Gerard de Magella; another vote of $5,000 for an ice-breaker at Achigan river; a vote of $10,000 for a post office in the town of Laurentides. Those moneys had been voted by Parliament in the usual manner. It was the duty of this Government to carry out the pledges of the Liberal Government, or if such pledges were deemed excessive or illegal, to withdraw them and state the reasons for such withdrawal. Nothing has been done. The moneys were voted, the pledges are outstanding; the people interested are still waiting.

They are waiting, because it seems that the primary concern of this Government is not to fulfil its promises, but to be on the most pleasant terms with the Admiralty, and subserve occult interests which we know nothing about. What concerns the Government more than anything else, it is not carrying on the work undertaken by the Liberal party towards ensuring the progress of the country and our national prosperity; it is to pass around the magnifying glass to find out some genuine indication of a German menace and the dangers it may hold in store for us. Its main concern is not to make sure that Canada retains the prestige gained under the Liberal Administration, but to have the country recede to the rank of a helpless colony, relying on the Mother Country for the protection of its own territory. In short, it is to give away millions heedlessly, even should this action weaken the Empire by impoverishing this country. And what seems to me the worst feature of it all, the Government is about to make us go through this sorry comedy of causing us to borrow those millions from the people who have been our purveyors of cash heretofore, for the purpose of handing that money over to these very same people. There will not even be any displacement of the funds; we will only have to agree to pay interest on a loan of money which will never go through our hands.

I said and I say once more that the Government in asking us to drop that $35,000,000 in the hat which the Admiralty is passing in our direction, is causing Canada to recede from the rank of a quasi nation which Canada attained under the former

Government, and to fall back into the position of a mere colony incapable of protecting itself. I said and I say once more that this gift of $35,000,000 is inimical to the interests of the Dominion and the dignity of the Mother Country, who never begged alms from her colonies. I may say further that this policy of the Government is dangerous, inasmuch as it constitutes a precedent which may lead to the worst abuses as well as to the most nefarious results. I am not alone in thinking so. I shall not insist on the differences of opinion which may exist throughout the country in this connection; I may be told in reply that these differences of opinion are the result of party prejudices and interests. But when a moderate paper such as the London ' Daily Chronicle ' gives out matter such as the following:

In Canada, as elsewhere, the general public believes what it is told, when repeated often enough. And heaven knows that Canadians have often enough heard about their loyalty, their services, their debt towards the Empire. They never cease hearing that long, everlasting ditty. The information forthcoming from Great Britain is disfigured...

When we read in the London 'Nation' such statements as the following:

People in the colonies are seldom in a position to afford making such costly presents; they need all their revenues to carry on their own government. We should in no case accept such gifts when the people have not had an opportunity of withholding their consent.

When we read in the London 'Advertiser' such things as these:

The naval policy of the Borden government consists in a $35,000,000 contribution. It rests on no reasonable or national principle. It is repugnant to true Canadian sentiment; its effect is to cast on the Mother Country the burden of maintaining three useless warships of the most costly type.

When we reflect that Mr. Asquith stated in the House that a memorandum had been prepared by the Admiralty, it is true, but that such memorandum had been prepared, please note the words, Mr. Speaker, at the request of Canada—which shows plainly that the request is not made by the Mother Country—when we read all that and a great deal more, it is impossible for us not to conclude that the feelings of pride and independence which have always distinguished the British people could not but be offended at the action which this Government wishes the House to take presently.

I understand that people in the habit of dealing with millions, such as the leaders among those who for some years past have been trying to induce the colonies to contribute towards the defence of the Empire, by keeping up the cry of the German menace, I understand that such people are not oversensitive in matters of dignity and fine feeling. I understand also that the true British sentiment is fully expressed in these wise considerations appearing in the London 'Times.'

If Canada is worth the bread it eats, it will take the means of protecting its coasts. Canada wants a navy which will be its property, constructed, manned and maintained by Canadians.

And the feeling of every Canadian, who is a Canadian first and a Britisher afterwards—and there is nothing wrong in that—finds expression in these weighty utterances from the mouth of S. H. Blake, of Toronto:

Canada should not even be called upon to contribute to any war expenditure, unless it can be shown that the proposed war is a just one. The ridiculous representation granted to Canada in the council of Imperial defence, if it is accepted, will go to show that Great-Britain is quite capable of making fun of Canada, as if it were some wretched lump of clay, and how cleverly she does make fun of it! It will be amusing to observe the shower of compensations in the shape of knighthoods which will be forthcoming, if the trick succeeds.

And Mr. Blake says further:

If Canada should contribute to the unjustifiable slaughter of our fellow-creatures, it will have to abide by the judgment of Him who has said: Vengeance belongs to me; chastisement is in my hands.

In short, Mr. Speaker, it is because I am absolutely satisfied that the duty of all of us, as Canadians and British subjects, is to endeavour to strengthen the Empire by making of Canada its strongest colony and the best equipped for the defence of its own territory, that I will refuse to support by my vote this proposal of the Government to grant millions not to Great Britain—we have seen that Great Britain is not the applicant—but to the Admiralty; and it is because I am satisfied that the principles previously enunciated are sound, that I shall continue advocating the establishment of a local navy for the defence of our coasts, along lines warranted by the resources and requirements of the country.

On motion of Mr. Graham, debate was adjourned.

On motion of Mr. Rogers, House adjourned at 1.20 a.m. (Wednesday).

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Abbreviations: 1r., 2r., 3r.=first, second, or third reading. Amdt.=Amendment. Com.=Committee. Con.=Consideration. Div.=Division. M.=Motion. Rep.=Report. Res.=Resolution. Sec.=Section.

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