

COMPULSORY ARBITRATION.

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Statements of United States Officials
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—Mr. Clergue's Steel Rail Contract.

(Special Despatch to The Globe.)

Ottawa, April 29.—Mr. Mulock this afternoon introduced his bill for the settlement of railway disputes, and explained its provisions. In supply, the estimates on capital account on the Government railway were considered, and the contract with the Clergue Company for supplying steel rails was again the subject of criticism. Mr. Barker moved an amendment to reduce the item for steel rails and fastenings for the Intercolonial Railway from \$800,000 to \$200,000, not for the purpose of reducing the expenditure for that work, but in order that the amount struck off would be charged against working expenses, and incidentally increase the deficit or reduce the surplus as the case might be. The amendment was defeated.

Railway Labor Disputes.

Hon. Wm. Mulock introduced a bill for the settlement of railway labor disputes. In doing so he said:—The object of this bill is to prevent lockouts and strikes upon railways, by providing a more satisfactory way than those violent measures afford for the settlement of such disputes and of differences that from time to time arise between railway companies and their employees. The proposition is, in fact, one for compulsory arbitration between railway companies and their employees in regard to the various subjects of controversy that from time to time arise between these parties. The measure is confined entirely to the railway world; it does not deal with any industries other than railway industries, and therefore it is not a precedent for the treatment of disputes between other classes. Railway companies, it is to be remembered, occupy a unique position. Whilst strikes and lockouts upon railways affect the companies and their employees, there is a third interest to be considered, the public interest, perhaps the greatest of all; and that paramount interest appears to give jurisdiction on this occasion for the House to adopt what is apparently an extreme means in order to ward off the evil consequences flowing from railway strikes and lockouts. It is unnecessary to point out what those consequences are; they are apparent to all. When a strike takes place upon a railway the road falls into disrepair, the traffic is less safe, the travelling public and the train hands alike suffer and run greater risks. Delays in transportation of goods are more frequent, and at times the strike culminates in a cessation of the operations of the railway.

In the Public Interest.

Railways are the creatures of Parliament; they are created in the public interest, and for that reason they are given rights paramount to those of the individual. They are created to serve the public in the first place, and it is the duty of the people's representatives to see that the object Parliament had in view in granting these charters is not defeated, either by the company or by their employees. Last winter there was a wheat blockade in the northwest. We are told that, partial as was the interruption to the railway on that occasion, it caused a very considerable public loss. What would have been the consequences to Canada were the C.P.R., instead of a partial failure of service taking place, as on that occasion, to be unable to turn a wheel for a week? It would have wrought doubtless widespread disaster to our country; yet such a contingency is always possible so long as there is no satisfactory tribunal for promoting friendly relations between the companies and their men, and settling labor disputes that are always arising between railway companies and their employees. Sooner or later strikes and lockouts lead to arbitration. Why not sooner rather than later? This measure proposes to substitute the provisions of this bill, when it becomes an act, for the present procedure of a strike or a lock-out.

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An Effective Tribunal.

The measure provides for the establishment of a tribunal equipped with ample powers for the settlement of all these questions. It is proposed to apply its provisions not merely to railways operating in the Dominion, but also to those that are operating under Provincial charters, and it will also be made applicable to the Intercolonial, and to any railways owned by Provinces, with the consent of the Governments of those Provinces. It will apply to a railway operated by steam, electricity or any other motive power. The range of subjects that may be referred is only limited by the variety of the subjects of disputes arising between railway companies and their employees. It declares that strikes and lock-outs shall be illegal, and it provides penalties for the contravention of its provisions. For the settlement of disputes there will be Provincial boards of arbitration to deal with these questions, if they are of a Provincial character, but if they are more far-reaching than Provincial, then they will be dealt with by a Dominion board. The different Provincial boards will be equipped with a clerk, who will be the medium of communication between the parties to the controversy and the board, and who will perform the clerical duties proper to his position. Each Provincial board will be composed of three arbitrators, one to be chosen by the railway companies of the Province or operating within the Province, according to a scale of voting that is provided in the act, another to be chosen by the men, and the third arbitrator to be chosen by these two, or, failing their making a choice, then by the Governor in Council. For the purposes of this measure the Northwest Territories are deemed to be a part of the Province of Manitoba, and there being seven Provinces there will be seven local boards. The railway companies will select one arbitrator to each of these seven boards, the men of each Province selecting a man, and thus you will have seven arbitrators representing the railway companies, seven employees' arbitrators, and seven arbitrators appointed by the Government.

The Dominion Board.

In the event of the subject of dispute being more than a local one, it will be dealt with by the Dominion board. The Dominion board will consist of five members, two to be chosen out of the seven selected by the railway companies, two out of the seven selected by the employees, and the fifth to be chosen by the four, or, failing their making a choice, then by the Governor in Council. It will be the duty of this board, in the first instance, to be conciliatory, and to endeavor to arrange a settlement of all matters in dispute. Failing in their efforts in that direction, the board is clothed with ample powers to proceed as arbitrators and to determine the questions referred to it and make an award. The award of the Chairman and one other member of the board, being a Provincial board, will be an award of the board. The award of the Chairman and two, in the case of the Dominion board, will be the award of the board. The award of the board will be current for such time, not exceeding a year, as the award states, with a provision, however, that either party to the dispute may terminate it within a lesser period, but nevertheless the award when made will continue in effect until a new award has been made to take its place. It will not be permitted to any of the parties to the dispute to appear by counsel or professional gentlemen before the arbitrators, unless by consent of both parties and of the arbitrators themselves. The award itself will not be cognizable in any court, and it shall not be removable to a court by certiorari or in any other way; in which it might be referred, for the purpose of argument or for the purpose of being quashed.

The Provincial Boards.

In reference to the mode of election of Provincial boards, the following is the proposal:—There will be at Ottawa an officer to be called the registrar, whose duty it will be from time to time to prepare the election registers. The duration of a Provincial board will be three years, the elections being triennial unless a vacancy shall occur, in which case there is provision for a bye-election. The voters' lists will be made up from the railways, each railway operating within the Province being given as many votes in the election of its arbitrator as it has employees within the Province. In regard to the employees, each employee in the Province will have one vote. There will be two distinct registers, the railways voting as one class and electing their representative on the board, and the men voting as one class and electing their representative on the board. They will vote by voting papers to be transmitted to the registrar, and these papers will be opened on a day named. There is provision for nomination and the

usual machinery for the holding of such an election. In the event of a railway company or other party refusing to abide by the award, the measure provides penalties, and the last clause declares that these provisions shall apply to the Government of Canada in respect to the Intercolonial Railway, and to assenting Provincial Governments in respect to any railways which they may own and operate, and that the award shall be binding on the respective Governments.

The Companies' Vote.

Mr. Sproule—I understand that the railway companies shall have as many votes as they have employees. How will they vote?
Mr. Borden (Halifax)—That is as between the different railway companies, giving them the relative voting power?
Mr. Mulock—Yes, just so. It may appear to be an inartistic method, but if any hon. gentleman can advise any better method it would be welcome. I may say that it is not the intention of the Government to pass this measure this session. It is presented to Parliament and to the country now, in order that it may receive consideration at the hands of the public, of the railway companies and of their employees during the recess, and the Government will welcome any suggestions calculated to perfect the measure, so that it may more effectually accomplish the object in view, namely, the peaceful settlement of labor disputes without any interruption to the operation of these railways, and in a measure satisfactory to the great interests involved—to the interests of the railway companies and of the men.

Application of the Bill.

Mr. Puttee—As regards the scope of the bill, do I understand that it will apply to all railways chartered by this Parliament, to all railways of a local character, and to electric street railways of a municipal character?

Mr. Mulock—Yes; it will apply to all railways in Canada, whether incorporated by the Dominion Parliament or by Provincial Legislatures, or otherwise; including the Dominion Government railways, and also including any railways owned by Provincial Governments, should such Provincial Governments give their consent. It is not felt that we would have the right to make a mandatory order against a Provincial Government without its consent. The bill will include tramways, electric railways, and so on.

Mr. Maclean—I would suggest that the bill include telegraph companies as well. I throw out that suggestion to the Minister.

Mr. Ingram—Is there any legislation in any country in the world similar to this?

Hon. Mr. Ross—There is a compulsory arbitration act in force in New Zealand, and it was adopted by the Commonwealth of Australia.

Mr. Ingram—I know of the Australian legislation, but is this law similar to that?
Mr. Mulock—My hon. friend (Hon. Mr. Ross) refers to the legislation recently passed by the Legislature of New South Wales. That was a law dealing with labor questions between man and man, and I believe the last clause of that measure makes it to some extent applicable to Government railways. But it is to be borne in mind that both in New Zealand and Australia the railways are owned by the Governments, so that the legislation is scarcely a precedent for us here. I am not aware of any legislation of this precise nature, although there are features of this measure borrowed from the New Zealand measure, and some parts of the machinery are taken from legislation in our own country.

The Labor Representatives.

Mr. Puttee said that apparently there would be only one board in each Province which would deal with matters in every city of that Province that had an electric street railway. That would take that class of industry altogether out of the operation of the conciliation act. He considered this bill to be a very important measure, perhaps the most serious attempt along this line of industrial legislation that had ever been introduced into Parliament. They could congratulate themselves, as well as the Minister of Labor, that all interests likely to be affected by this legislation were now in a position to fairly consider the measure, and that there was no antagonism at present between the parties in this country who will come under the scope of this act. They may congratulate themselves that there is also in Canada a decided leaning towards the progress of conciliation and arbitration, and that, seeing that the bill was not going to be passed this session, they might in the meantime have the bill fully considered by those parties who are interested.

Mr. Ralph Smith said it was impossible to form anything like an intelligent view of the proposition, not having seen the bill. The great principle of the bill was to make strikes impossible on railways. That principle of compulsory arbitration was an experiment in this country, one which had never yet been introduced in any degree, in fact, on the American continent, but the principle of compulsory arbitration for the settlement of labor disputes was a very common and successful prin-

ciple in New Zealand and the Australian colonies. He thought the Minister had acted wisely in not seeking to apply such an important experiment to all the industries of the country. He was not certain that even the organized labor men of the country would support the general principle of a national compulsory arbitration. But he thought he had acted very wisely in seeking to apply the principle to the operations of railways. A labor dispute on a railway was not like a labor dispute in any other business.

Dr. Sproule asked if it was intended that the bill should be brought to a second reading so that there may be a discussion on it.

Sir Wilfrid Laurier said that if possible an opportunity would be given to discuss it before the close of the session.

Sir Wilfrid Laurier introduced a bill founded on the resolution providing for the appointment of an Assistant Commissioner of Northwest Mounted Police for the Yukon Territory.

The Immigration Bill.

Mr. Sifton's bill to amend the Immigration act was passed through the committee. Mr. Sifton explained that the transportation companies had represented that it was sometimes desirable to permit the landing of diseased immigrants for medical treatment, and he therefore amended the act by taking power to permit such landing for a limited time.

Mr. Wilson asked if some arrangements could not be made with the United States whereby each country would watch the arrivals at its own ports.

Mr. McCreary declared that no immigrants were coming into Canada who would not be admitted to the United States. The only people the United States had trouble with were Italians from the cities, who went to the American cities. He thought the bill might have gone further and provided that if an immigrant develops insanity, if it could be proved that he had previously been insane, he might be deported, and the same thing might be done with convicts. He also thought that provision should be made to compel the railways to carry undesirable immigrants back to the seaboard.

Toronto Trades Council's View.

Mr. Maclean read the memorial of the Toronto Trades and Labor Council, protesting against the vote of \$445,000 for immigration, and arguing that the immigrants would tend to lower wages. Mr. Maclean expressed the hope that the Minister would give some consideration to the views of the Trades Council.

Mr. McCreary, without arguing the question, stated that the arguments of the Trades Council were inconsistent.

Mr. Oliver strongly approved of the bill, advocating the careful selection of immigrants. The effort to secure immigration from the British Isles had been a dismal failure. Any system that could be adopted would be an improvement over the system in force last year. He made a special plea for the retention of Canadians in Canada.

Mr. Clarke's Complaint.

Mr. E. F. Clarke pointed out that in the revised statutes of 1880 power was taken to do what was now proposed, but the power seemed to have become a dead letter. Mr. Clarke urged upon the consideration of the committee the petition of the Trades and Labor Council of Toronto against immigration as tending to lower the scale of wages. He also quoted articles from Montreal newspapers in reference to the alleged dumping in that city of diseased and undesirable immigrants, who had been rejected by Mr. Wauchorn, the United States Immigration Agent in Canada. Mr. Clarke regretted that three million British immigrants had gone to the United States within 50 years, and that the proportion of foreign population among immigrants now coming into Canada was so large, being 70 per cent. The condition of affairs called for the most drastic measures to prevent the importation of diseased and undesirable immigrants. Mr. Clarke complained that there was no clause in the bill enabling the Government to collect from the steamship companies responsible the cost to which the country was put by these people being brought in. He urged that the provisions in the United States law be embodied in this bill.

Mr. Sifton's Reply.

Mr. Sifton, in reply, reminded the House that the greater part of a day had been spent in discussing immigration a week ago, and nearly every point raised by Mr. Clarke had been fully dealt with then. He had at that time showed that the statements in reference to the importation of diseased and undesirable immigrants by the United States inspector were almost wholly and entirely untrue. Later on Mr. Sifton gave an explicit and emphatic denial to Mr. Wauchorn's statements. There was, he said, no need to seek the assistance of the United States officers in examining immigrants for Canada, as suggested by Mr. Clarke, our own officers being quite competent. Mr. Sifton repeated his explanation of the system of examination pursued at ocean ports, which he gave in supply, and reiterated the statement that there are at present but four or five persons who are waiting for a chance to return to their homes. The difficulty which would necessitate amendment to the existing law in the line proposed by Mr. McCreary had not yet been experienced. With regard to the nature of the literature distributed in England, to which Mr. Clarke had strenuously objected, Mr. Sifton explained that formerly that work was carried on from the High Commissioner's office in London, but now it was under the direct control of the department. With respect to the statements made by the trades organizations in reference to the encouragement of a class of immigrants who do not settle on land, but seek employment, Mr. Sifton disputed their accuracy, and added that the trades organizations had failed to give him any proof to substantiate their assertions. To attempt to penalize the steamship companies, as suggested by Mr. Clarke, would be wholly impracticable; the immediate result might be to divert from Canada the 13,000 British immigrants who now come in annually. While 70 per cent. of the immigration last year was nominally in a sense foreign, it must be borne in mind that 18,000 out of a total of 49,000 were from the United States, and were practically British-born, and therefore 30,000 out of the 50,000 immigrants were British. The objections to immigration by the trades and labor organizations of Toronto and other cities in Ontario were not well founded. They were the largest beneficiaries of the expenditure for immigration, as it was from the expansion in the northwest, caused by the settlement of the immigrants, that the Ontario manufacturer found the increased orders for his goods. Replying to the complaint by Mr. Clarke, that destitute Italians had been encouraged to come to Canada by misrepresentation, Mr. Sifton said this was but an illustration of the groundless charges made against the department, because not a single line of literature had, since he became head of the department, been printed in Italian, and no work whatever was carried on by the Government in Italy. Mr. Sifton admitted

that the existing law was objectionable in that it did not give the Government the power to say what persons should enter the country. Paupers, criminals, persons of unsound mind or diseased were barred by law, but the Government was not given power to exclude others from entering the free country. He was willing to accept suggestions which were of value, and it was because he believed there might be a better enforcement of the act that he had introduced the bill.

Mr. Osler.

Mr. Osler insisted that our laws were not as strict as those of the United States with regard to the admission of immigrants, and, moreover, that what was not good enough for the United States was not good enough for Canada. The undesirable immigrants to which exception had been taken were included among the thousands which the Minister had taken credit for bringing to Canada.

At a later stage of the debate, in reply to a remark by Dr. Sproule, who quoted the statements of the United States immigration officer at Quebec, Mr. Sifton said he must as a Minister of the Crown absolutely decline to be held responsible for any statements made by a United States official.

Dr. Sproule replied that he did not care whether the Minister would hold himself responsible or not, the people of the country would hold him responsible for having, on the statement of the United States official, allowed 1,000 undesirable immigrants to remain in the country.

Mr. Sifton denied the accuracy of the statement, and the bill was reported at 6 o'clock, and stands for third reading.

Mr. Sifton's Bills.

The following bills of Mr. Sifton's were read a third time:—To amend the unorganized Territories game preservation act; to amend the Dominion lands act; to amend the acts respecting the Northwest Territories; to amend the Rocky Mountain Park act, and respecting the representation of the Yukon Territory in the House of Commons.

Mr. Sifton explained that the provision empowering the Minister of the Interior to dispose of timber in the National Park has been dropped, as it was not thought advisable to dispose of any timber. The area of the park as enlarged will be 4,900 square miles. He also stated that the Yukon representation bill provides that an election must be held before January 1, 1903.

Mr. Fielding's bill to amend the civil service retirement act was read a third time.

The House went into supply shortly after 9 o'clock on Railway Department estimates.

The Clergue Steel Rail Contract.

In reply to a question, Hon. A. G. Blair informed Mr. E. B. Osler that the price for steel rails to be supplied by Mr. F. H. Clergue under his contract with the Government next year had not yet been fixed. The rail supply in the United States, as everybody knew, was entirely under the control of the trust or combine. The price there is now \$28 per ton, but possibly the English market might be found more favorable.

Mr. Monk asked whether the Government had taken steps to free itself from the contract which Mr. Clergue had failed to perform.

Mr. Blair replied in the negative, and pointed out that Mr. Clergue had encountered difficulties in establishing a plant, which prevented him from delivering the rails last fall as required, and in that sense it might be said he had not defaulted. The purpose for which the contract was entered into, however, was to encourage the establishment of a steel rail plant in Canada. Personally, Mr. Blair said he would not feel called upon to treat the contractor under the circumstances so severely as to cancel the contract. The 15,000 tons of rails purchased elsewhere last year cost \$25.70, \$24.90 and \$25.70 per ton. Mr. Osler expressed pleasure that \$7.50 a ton had been saved to the country by Mr. Clergue's inability to carry out his contract.

In reply to further questions, Mr. Blair said that Mr. Clergue, having consented to the Government getting 15,000 tons of rails elsewhere, would supply the balance of the first 25,000 tons, viz., 10,000 tons this year, at the price originally agreed upon, \$32.50 per ton. For the balance of 100,000 tons the current market prices would be paid. Mr. Blair justified the contract as judicious and in the public interest.

Mr. W. F. Maclean, Mr. F. D. Monk and Mr. Samuel Barker criticized the Government for entering into the contract, in the first place, on the ground that the price, \$32.50 per ton for the first 25,000 tons of rails, was much higher than the rails were actually bought for afterwards, but they disclaimed any desire to have the contract cancelled.

The \$7 Bounty.

Hon. W. S. Fielding repeated the explanation of the negotiations which led up to the agreement with Mr. Clergue, as given to the House in former sessions, and pointed out the unfairness of the Opposition in adducing as an argument now the fact that there was a bounty of \$7 per ton on the steel in addition to the price agreed upon in the contract.

Mr. Samuel Barker declared, with some emphasis, that the \$7 bounty on steel was sufficient to encourage the manufacture of rails without giving Mr. Clergue the price agreed upon for rails. Mr. Fielding replied that the bounty had been in force for many years, but it had not up to the time the contract was made resulted in a single rail being manufactured.

Intercolonial Bookkeeping.

Mr. Barker protested against \$600,000 being charged to capital for steel rails and fastenings for the Intercolonial, on the ground that a portion of it should be charged to working expenses.

Hon. A. G. Blair, in reply, said Mr. Barker's objections were absurd. How could the amount be charged to earnings, when there was not enough revenue to meet it? What difference did it make if it was charged in this way at once, as it would have to be met in that way in the end? The rails had to be laid, and there was no good reason why they should not be charged to capital. Mr. Barker insisted that as a matter of accurate bookkeeping the item should be charged to merchandise, in order to determine what the true deficit was. He moved that the item be reduced to \$200,000, which represented about the proportion that should be charged to capital.

Hon. W. S. Fielding replied that there

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might be some force in Mr. Barker's contention were the Intercolonial in the same position as other railways, where a reserve fund was provided for renewals. The Minister of Railways found the Intercolonial run down and not up to the times. Therefore he had to bring it up to date or leave it behind in the race, and decided to improve it. It was utterly impossible to do this out of earnings. The money was not there, and the only way to do so was to take the money out of capital.

Mr. E. B. Osler contended that the principle laid down in Mr. Barker's amendment should be observed in the keeping of accounts, so that the country would know exactly what it was costing. The excuse that the method in existence had been followed under previous Governments was no argument why it should be continued.

Hon. A. G. Blair held that the arguments of Messrs. Barker and Osler were fallacious, in view of the circumstances. The ex-Minister of Railways (Mr. Haggart) only a few days ago had completely refuted the position now taken by these gentlemen, when he declared that even the annual deficits of the railway for many years had to be placed to capital expenditure.

Dr. Sproule briefly supported the amendment, which was lost on a standing vote.

Mr. Barker raised the same objection that he had raised to the purchase of steel rails, to the votes for new superstructures for bridges.

The whole of the items on capital account for the I.C.R., and all except one for the Prince Edward Island Railway, amounting altogether to approximately \$2,000,000, were voted, and the House adjourned at 1 a.m.