

Honourable senators, I am simply pointing out the trend of the times. I feel sure that if I were to get up at a meeting now and talk about the British North America Act my listeners would say: "That's old stuff, but what can you expect of a senator anyway? He is thinking of the past." But, as I said, the tax agreement is the finest thing politically for the provinces, and I want to warn the dominion Government that if it is not careful it will add greatly to its cares by acceding to all these further requests.

The latest thing that the provinces are suggesting is that the municipalities participate in the conference with the dominion Government. Well, I know, as does everyone else who has had some municipal experience, that the municipal councils, the mayors and reeves, function directly under provincial legislation. The provincial Governments can see that if the municipalities attend the conference they will support the cry of the provinces, for the need of the municipalities today is very keen. There is no municipality but feels that it should have more money and more assistance. So, if the provinces can shift that kind of burden on to the federal Government, they will be more favourably placed indeed.

Honourable senators, I thought I would just issue that warning today and ask honourable senators and the Government to note the trend.

I have heard it said since I came to the Senate that the Senate was created to protect the rights of the provinces, but the rights now are becoming the wrongs and more and more the management of affairs is gradually being placed on the shoulders of the federal Governments.

I want now to say a few words about trade, a question that is much to the fore at present. I do not intend to deal with that subject at great length, but as honourable senators know it is one of the most complex problems facing Canada today. I doubt very much if any drastic change could be made without violent protests from established companies. The late Right Honourable Mr. King in past days told us, his followers, a great truth when he said, time and time again, that everyone is a free trader except as regards the goods produced in his own constituency. On the prairies the farmers are all for free trade, but they demand that the doors be kept closed against the importation of wheat, oats and barley. The manufacturers of automobiles do not want any cars imported. And the makers of clothing are wailing to high heaven about the importation of woven goods from Japan,

Germany and Great Britain. So, I see a very great problem indeed for the present Prime Minister, and I wish him well. Personally I doubt if very much can or will be done. Certainly not much more will be done than has been done in the past, owing to the fact that vested interests in every town and city in Canada want protection for their own goods but are not opposed to other goods coming into the country free of duty.

Just one further word regarding the trade trend. I was surprised that the British Columbia Young Liberals at their convention last week advocated trade with China. They should take warning as to where that might lead. It is not just a matter of trade between Canada and China. I believe that if the United States and Canada started to trade with China we could not very well prevent China from securing a seat at the United Nations; and to give China a seat at the United Nations would be to add another power to the Soviet Communist bloc that is down around the United Nations headquarters. In that regard it would not surprise me if before very long the Soviet, which has certainly made very good use of the United Nations, would increase her propaganda machine. At the United Nations a lot of people from this country and the United States never seem to really understand or get down to earth with the Russians, and so the Russians put it all over them by their propaganda and news.

I want now to refer briefly to the Royal Commission on Energy which is to be set up by the Government. First I will quote from the terms of reference setting up the commission:

The commissioners are empowered to inquire into and make recommendations concerning:

(a) the policies which will best serve the national interest in relation to the export of energy and sources of energy from Canada;

(b) the problems involved in, and the policies which ought to be applied to, the regulation of the transmission of oil and natural gas between provinces or from Canada to another country, including, but without limiting the generality of the foregoing, the regulation of prices or rates to be charged or paid, the financial structure and control of the pipe line corporations in relation to the setting of proper prices or charges, and all such other matters as it is necessary to inquire into and report upon, in order to ensure the efficient and economical operation of pipe lines in the national interest.

There is a special clause in the order in council to ensure that the establishment of the commission and the conduct of its inquiries shall not in any way delay negotiations relating to waters crossing the international boundary. I sincerely hope that a definite agreement can be reached between the United States and Canada for the development of the Columbia River. If, shortly,