

pressed by former speakers as we think back to that heartwarming and memorable experience of welcoming in Canada Her Majesty our Queen and her husband Prince Philip. We deeply appreciate the meaning of the historic circumstance that enabled us to hear the Speech from the Throne delivered by our most gracious and beloved sovereign in person. We were all uplifted and ennobled in our feelings of loyalty, of unity and of common purpose on behalf of the democratic goals and purposes for which we are now here assembled.

(Translation):

I wish to offer you, Mr. Speaker, my sincere congratulations on your appointment to the honourable and lofty position you now occupy.

May I also express a hearty welcome to the honourable senators who were appointed to this chamber during the year.

(Text):

In expressing congratulations and welcome to the new senators I wish to admit once again that I am still warmed by my personal recollection of the friendliness and hospitality extended to me two years ago, which I then termed as a minor miracle in the art of human relations. To the honourable senator from Hastings-Frontenac (Hon. Mr. White) and the honourable senator from Shawinigan (Hon. Mr. Méthot), the mover and seconder of the Address in reply to the Speech from the Throne, I extend my sincere congratulations on the worthy and challenging substance of their remarks and on the sincerity of their presentations.

With your kind indulgence, honourable senators, I should like to make a few observations about each of the following four problem areas:

1. Budgetary implications of probable federal expenditures.
2. The Dominion-Provincial Fiscal Conference.
3. The continuing crisis in education.
4. Submerged nationalities in the U.S.S.R. *vis-à-vis* the 40th anniversary of the great October revolution today, November 7, 1957.

I studied with great interest the contents of the Speech from the Throne, which outlined in the usual traditional generalities the legislative program of the present administration. So far most of the legislation, we can foresee, implies the expenditure of additional sums of the federal tax money; in fact, considerable sums of money. This cost burden may be increased by the possible implementation of the national health insurance plan and by probable changes in the dominion-provincial tax distribution formulae.

May I make a rough estimate of the probable annual cost of projected legislation and other changes? We have already dealt with additional estimates No. 2, which added more than \$80 million to all former estimates. Let us consider too the annual charges on the federal treasury by reason of the additional monthly payment of \$9 for old age security as well as pensions to blind and disabled persons, which involve a total cost of approximately \$9 million per month, or an estimated \$109,232,000 a year. Yesterday this house passed the Old Age Security bill, which carries an estimated cost of \$96 million, on the principle of right and universality, motivated by arguments of need, with no attempt to differentiate between those who really need the extra \$9 a month and those whose needs may be less pressing. We may some day have to face this problem of differentiation. Then there are going to be changes in the Veterans Allowance Act and the Pension Act. Details of the additional expenditures are still on the secret list, but I am making a very wild guess that they will be about \$25 million a year. Salary increases were granted to the Civil Service, the Armed Forces and the R.C.M.P., and they are going to cost between \$125 to \$135 million.

Probable changes will take place in the Dominion-Provincial Tax Rental Agreements. All signs point to that, and those changes will be upward revisions. A very rough guess, scaled to permit an additional \$100 million to the province of Ontario on what has been discussed as the 15-15-50 formula and to maintain the equalization grants balance now existing, is that these changes will probably cost \$300 million.

The possible implementation of the national hospital insurance plan as provided for in Bill 320 of last session, and not extended to cover depreciation costs or care of T.B. patients or mental patients, has been estimated at a total annual cost of \$380 million; and the federal contribution, 50 per cent of that, would be \$190 million. If we include the care of T.B. and mental patients, which cost the Manitoba Government \$4 million a year, then the federal share would be \$2 million; and for the whole of Canada, if we calculate from that figure, we would probably find that the cost of care of these two classes of patients would amount to \$30 million.

So a rough estimate of probable annual increase in federal expenditures in the early foreseeable future could be placed at between \$750 to \$850 million.